



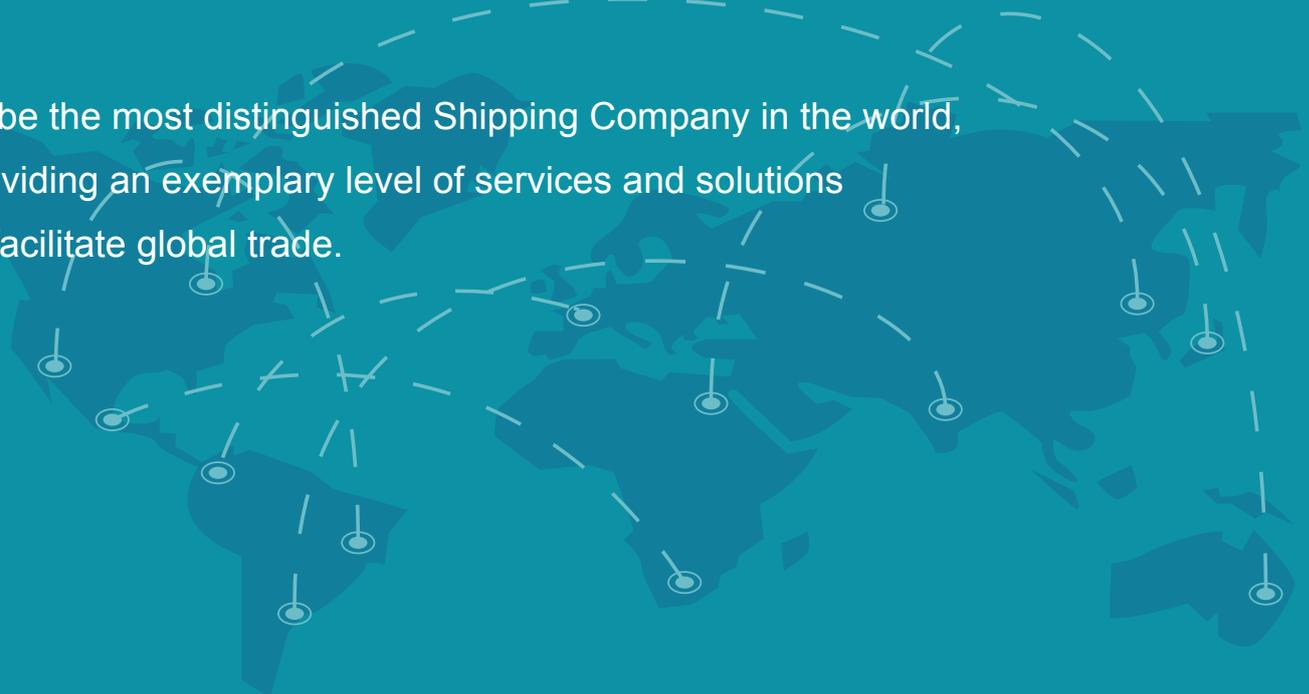
Precious Shipping Public Company Limited

Annual Registration Statement | Annual Report 2022
(Form 56-1 One Report)



VISION & MISSION STATEMENT

To be the most distinguished Shipping Company in the world, providing an exemplary level of services and solutions to facilitate global trade.



CORE VALUES



Integrity



Sustainability



Tradition



Innovation





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BOARD OF DIRECTORS' REPORT



Mr. Chaipatr Srivisarvacha

Chairman of the Board of Director

TO THE SHAREHOLDERS:

The directors are pleased to present the 34th Annual Report of the Company along with the Audited Financial Statements as on 31 December 2022

4th Quarter 2022/Annual Financial Performance (US Dollar Terms)

The results, audited by EY Office Ltd., show you the latest financial position of Precious Shipping Public Company Limited and its subsidiaries (“the Company”). The earnings per day per ship during Q4 came in at USD 14,343, taking the annual figure to USD 19,924. Please look at the Market Segmentation report that shows you the relative performance of the PSL fleet’s earnings per day per ship compared to the Index ships.

In the current quarter, daily operating costs for ships were lower than both the target for the year and the actual costs from the previous year. The costs were USD 4,815 per day per ship, which has brought the annual costs to USD 4,895 per day per ship, as compared to a target of USD 4,960 for the year and actual daily operating expenses of USD 5,090 for the previous year.

The EBITDA was USD 27.89 million during Q4 and USD 180.33 million for the year. In Q4 we made a net profit of USD 15.26 million, with earnings per share of Baht 0.35. This is the fourth quarterly profit for this year. In the year 2022, we made a net profit of USD 138.61 million, which is close to our all-time high net profit of USD 154.22 million in 2005. The Company’s earnings per share for the year were Baht 3.11.

THE HARD FACTS	2022	2021	Q4 2022	Q4 2021
Highest earnings per day per ship in USD	52,816	50,336	36,948	50,336
Average earnings per day per ship in USD	19,924	20,338	14,343	26,429
Av. earnings per day per Handy size ship in USD	17,523	18,804	12,525	25,062
Av. earnings per day per Supramax ship in USD	20,371	19,378	16,162	22,823
Av. earnings per day per Ultramax ship in USD	25,422	25,062	17,066	33,734
Av. earnings per day per Supramax/Ultramax ship in USD	22,748	22,053	16,587	27,958
Operating cost per day per ship in USD	4,895	5,090	4,815	5,241
EBITDA in million USD	180.33	175.17	27.89	62.42
Net Profit (Loss) in million USD excluding exchange gain (loss) and non-recurring items	138.66	132.76	17.16	52.68
Net Profit (Loss) in million USD	138.61	136.96	15.26	53.01
Earnings (Loss) Per Share in Thai Baht excluding exchange gain (loss) and non-recurring items	3.11	2.79	0.40	1.13
Earnings (Loss) Per Share in Thai Baht	3.11	2.87	0.35	1.14



Mr. Khalid Moinuddin Hashim

Managing Director

Financial Highlights (Thai Baht Terms) and Review of the Year:

The company reported a 14-year high net profit of Baht 4,850.79 million (2021: Baht 4,474.93 million), with total revenues of Baht 9,146.64 million (2021: Baht 8,814.29 million), in the year under review. The shareholders' equity increased to Baht 16,462.81 million (2021: Baht 14,365.02 million) and total assets increased to Baht 24,303.96 million (2021: Baht 23,530.50 million), primarily due to the purchase of 2 additional vessels, bringing the total number of vessels operated by the company to 38 in 2022 compared to 36 in 2021.

In the first half of 2022, the dry-bulk freight market saw an uptrend, but rates softened in the latter half of the year due to an increase in US interest rates, a worsening property sector in China, and lower cargo flows out of Ukraine due to the Russia-Ukraine war. The company's vessels achieved an average time charter equivalent rate of USD 19,924 per day per vessel in 2022, lower than the average rate of USD 20,338 per day per vessel in 2021. The net vessel operating income (net of voyage disbursements and bunker consumption) in Thai Baht terms was 9% higher than the previous year. The average vessel running cost per day per vessel decreased from USD 5,090 in 2021 to USD 4,895 in 2022, primarily due to lower dry-docking and special survey expenses. However, absolute vessel running expenses in Thai Baht terms, increased by about 12% due to the depreciation of the Thai Baht against the US Dollar. The average technical downtime was 11 days per vessel, as 14 vessels underwent dry-docking and special surveys during the year.

We conducted an "in-house" exercise again this year to determine total return to shareholders, which was calculated for the 29 years that we have been operating as a listed entity. Based on the closing share price of Baht 15.10 per share on 16 September 2022 (our first day of trading on the SET was 16 September 1993) and assuming you had subscribed at the IPO, at the end of 29 years you would have obtained a 16.31% IRR on your initial investment. This return does not assume any re-investment of the dividends into shares or any interest on the dividends received.

To keep things in perspective with regards to PSL, we would like to highlight the annual net profit/loss over the past few years.

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Av. BDI	2,758	1,549	920	1,206	1,105	719	673	1,145	1,353	1,353	1,066	2,943	1,934
Net Profit (loss) \$m	35.5	23.6	4.5	17.5	(2.5)	(69.41)	(75.61)	(3.76)	14.1	(7.25)	(40.80)	136.96	138.61
Av. No. of Ships	21.39	21.91	30.44	38.93	41.66	45.46	40.29	36.02	36	36	36	36	36.99
Net Profit (loss) / Ship \$m	1.66	1.08	0.15	0.45	(0.06)	(1.53)	(1.88)	(0.10)	0.39	(0.20)	(1.13)	3.80	3.75

During the abysmally low market period of 2015 and 2016, we managed to keep costs under tight control; raised about USD 65 million from our shareholders via a rights offering in early 2015; raised USD 100 million from a 5 year unsecured bond in January 2016; raised USD 55 million from a 3.5 year unsecured bond in December 2016; pre-paid a lot of our secured loans coming due in 2018 and 2019; and sold our older and inefficient ships to raise further cash (15 ships recycled in 2015 - 2016 and 2 older ships sold in 2016 - 2017 for further trading). In 2018, we fully prepaid one loan facility, thereby releasing 3 vessels from their mortgages. In 2019, we fully prepaid another loan facility and released 2 more vessels from their mortgages. To mitigate the deleterious impact of Covid-19 in 2020, we extended USD 124 million of indebtedness on our two outstanding bonds by 1.5 years, received USD 40.5 million through a settlement agreement with Saintry Shipyard, and received ~USD 26.55 million of gross proceeds through a 12-month advance charter-hire agreement with a customer. In 2021, we redeemed our two outstanding bonds well before the amended maturity dates and raised USD 133.45 million through the signing of three new loan facilities. In 2022, we raised USD 17.10 million through the signing of one new loan facility and prepaid two loan facilities thereby releasing two vessels from their mortgages. Total loan repayments for the year were USD 69.44 million.

Our Fleet: At the end of 2022, our fleet comprised of 38 ships on the water (8 Ultramax, 9 Supramax and 21 Handysize) with an aggregate capacity of 1,657,579 DWT. This works out to an average of 43,621 DWT per ship, with an average age of about 11.0 years. In a highly capital-intensive business characterized by high leverage and unpredictable and volatile cycles, the timing of the purchase of ships is possibly the single most important decision that must be made.

Annual Benchmarking:

Marine Money's 2021 annual benchmarking issue showed that among 22 globally listed peers in the dry-bulk sector, we ranked second among peers and we had the third-highest operating profit margin of 70.7% compared to a sector average of 58.3%. Our overall performance compared to all 83 listed Shipping companies, was a very respectable 10th rank.

Awards and Honors:

- PSL has been included in the Stock Exchange of Thailand's Thailand Sustainability Investment (THSI) list for 2022.
- PSL has been classified as a company with "Excellent" Corporate Governance for 13 consecutive years from 2010 to 2022, by the IOD & National CG Committee.
- PSL earned a full 100 AGM assessment score for five consecutive years from 2018 to 2022, as adjudged by the Thai Investors Association (TIA)
- In 2022 and for the second year running, PSL has received the Outstanding Investor Relations award from SET, Thailand.
- PSL is the highest-ranked global dry-bulk shipping company in the S&P corporate sustainability assessment (CSA) rankings for 2021.
- PSL received the 2021 ASEAN Asset Class Award, for having attained a minimum CG score of 97.50 on the ASEAN CG Scorecard.

Market Segmentation for 2022:

During 2022 the Baltic Handy Size Index (BHSI) averaged 1,185 points, as derived from an average Time Charter (TC) rate of 21,337 per day. In comparison, our Handy size fleet earned USD 17,523 and underperformed the BHSI TC rate by 17.88%. During 2022 the Baltic Supramax Index (BSI) averaged 2,014 points, as derived from an average TC rate of USD 22,152 per day. In comparison, our Supra/Ultra fleet average earnings were USD 22,748 per day and outperformed the BSI TC rate by 2.69%. Our target has been to outperform both the indices.

Type of Vessel	2022 Avg Index Time Charter Rate in \$ (A)	PSL average Time charter Rate in 2022 in \$ (B)	PSL Ship difference from Index Ship in % (C)	PSL long Term Time Charter Ship Adj (D)	A*(C+D) = (E) in \$	PSL True Time charter rate in \$ (B+E)	PSL True performance VS Index ship in %
Handy	21,337	17,523	25%	4.67%	6,331	23,854	+11.8%
Supra	22,152	22,748	10%	1.74%	2,601	25,349	+14.4%

The two reasons for our performance in 2022 are: Firstly, our ships are 'different' from the index ships. On an apples-to-apples comparison, our Handy ships are ranked 25% below and the Supras are 10% below the index ship TC rates. Secondly, the 9 handy ships, out of our fleet of 21, on long term charter were fixed at \$18,474 per day and the 13 Supras, out of our fleet of 17, at \$21,267 per day, both below the average TC rate for the index ships (BHSI \$21,337 and BSI \$22,152). If we had applied these two adjustment factors to our result, our 'true' performance would have beaten the handy index by 11.8%, and beaten the supra index by 14.4%, as shown in the above table.

Long Term versus short term Charters:

The long-term charters, of about 1 year, are shown in the chart below. As can be seen, our forward four-year rolling book is currently at the 20% level with a visible revenue stream of USD 148 million.

Year	2023	2024	2025	2026
Total Available Days	13,870	13,908	13,870	13,870
Fixed T/C Days*	5,420	1,870	1,825	1,825
%age Fixed T/C Days	39%	13%	13%	13%
Av. T/C Rate/Day in** USD	11,752	15,222	15,316	15,316
Contract value in million USD	63.69	28.47	27.95	27.95

* This comprises charters on 7 ships on fixed rate charter and 15 ships on variable rate charters

** Average T/C Rate/Day for the variable rate charters is estimated based on rates prevailing in January 2023 for future earnings and actual earnings for past earnings.

It is our intention to continue to charter out our ships on long term period contracts whenever practical and economically viable.

Update on the Chayanee Naree drug smuggling incident:

Since the last report, there has not been any significant development in the case. As mentioned in the last report, the trial against the Vessel and the 10 crew members commenced in the Federal High Court of Nigeria in July 2022. The next hearing is scheduled for March 2023. The Company continues to work closely with its insurance company and legal counsel to ensure that the case is fully resolved as early as possible.

What does the crystal ball predict for 2023?

2022 was a year when things went from bad to worse, starting with the 24 February Russian invasion of Ukraine. This was followed by sanctions on Russian coal, oil, gas, food grains, and fertilizer exports. The EU paid the price for these sanctions while the USA reaped the benefits by exporting coal, oil, gas, and food grains at ever increasing prices to the EU/ROW, all in the name of reducing the EUs dependence on energy supplies

from Russia. The whole world, especially the poor, whether living in the developed or developing world, paid the price with food, fuel, and fertilizer inflation leading to an ever-tightening belt, not just around their stomachs but literally around their throats, choking the very life out of their humble existence.

In contrast, the coming year 2023 appears to be a tale of two opposite scenarios, one good and the other bad.

First, the bad news. Geopolitics could worsen; a bad turn in the Russia-Ukraine war like a nuclear strike, or worse still, Taiwan-China morphs into a hot war; a weakening global economy from bad policy decisions; a new pandemic soaking up tax dollars; spiking energy prices due to the sanctions on Russian energy; cyber-attacks disabling infrastructure pushing the world into recession; a possible collapse of the global financial infrastructure that is still struggling post the 2008 financial crisis; debt related risks, principal or interest payments, in developing or poorer countries creating non-containable economic waves exacerbated by high energy and food prices, hurling the world into recession; or developed democracies being undermined by financialized capitalism creating in the have-nots, anger, resentment, and eventually, violent overthrow of establishments.

But things need not wallow in gloom and doom, we could have better news in 2023. If you are involved in shipping, then by default you are an optimist, and hence would lean towards the better news scenario that follows. The world has survived three years of the existing pandemic; one year of the Russia-Ukraine war; China's three-year Covid-zero policy; QE taper; and higher interest rates, all in reasonably good shape. We could have a resolution of the Russia-Ukraine war; no hot war between Taiwan and China; a successful reversal of China's Covid-zero policy; China's stimulus to the property sector takes hold; the Dollar weakens; world trade improves; supply side of new ships remains tight with recycling increasing due to low markets at start of 2023 and new environmental regulations kicking in; the inflation fight is won; interest rates plateau and start to decline; no debt crisis in developing and poor countries; financial markets get back to growing strongly; and the have-nots share some part of the financialized capitalism in the developed economies.

In the FT edition dated 31 Dec 22, under the predictions for 2023, was this gem 'Can China restore economic growth to more than 5 percent? Yes. China is facing a bleak ending to 2022; the opening from its "zero-Covid" policy will sadly claim many more lives yet and is overwhelming hospitals, as the pandemic did elsewhere in 2020-21. But a lot can and will change over the course of the year. Once China learns to "live with Covid", economic activity should bounce back strongly. Consumer spending will be energized by a pandemic-fueled glut in savings and Beijing will launch a stimulus package focused on infrastructure. James Kynge'

According to a 10 Jan 23 article in the FT entitled 'Xi Jinping's plan to reset China's economy and win back friends', China wants to improve trade and diplomatic relations with the USA and the EU. The goals are to mitigate the costs of abandoning covid-zero; align with the 'spirit' of the 20th congress of the CCP held in Oct 22; achieve robust economic growth via economic pragmatism and an enabling environment for private sector growth; improve the lot of rural workers; stabilize the property market; stabilize the finances of local governments; substantially increase the middleclass; tap household savings of \$4.8t to boost consumer spending; increase per capita income; set an economic target of GDP growth of 6%; improve relations with Japan, South Korea, and Vietnam; reevaluate ties with Russia; restrain Russia from using nuclear weapons; act as a peacemaker, and participate in rebuilding Ukraine.

We have the following from Bloomberg dated 16 Jan 23. 'China's sudden reopening after three years is set to offer a boost to a flagging world economy. The growth impulse will be felt through services sectors such as aviation, tourism and education as Chinese people pack their bags for international travel. Other beneficiaries include commodity producers like Chile and Brazil, while a gauge of Australian mining shares is homing in on an all-time high. The head of the IMF has described China's pivot from covid Zero as likely the single most important factor for global growth in 2023, while the reopening has raised hopes that the world economy will emerge from the scariest inflation in decades without suffering a downturn.'

An article from Reuters dated 18 Jan 23 said this: 'China's reopening from pandemic restrictions could drive global growth beyond expectations and help avoid a broader recession even as some of the world's largest economies struggle to overcome a downturn, top finance officials at the World Economic Forum said.'

And we have this from Reuters dated 19 Jan 23. 'China could see a sharp recovery in economic growth from the second quarter onwards based on current infection trends after the dismantling of most covid restrictions, IMF Deputy Managing Director Gita Gopinath said.'

As the FT, and most western media, emphasize the negative, never the positive, when they have anything to say about China, we therefore, wonder why the western media are being so positive about China in the above pieces. Could it be that they realize that China is going to have a blowout 2023?

If we look at shipping during 2020 to 2022, when the world was hit by a three-year long global pandemic, the first major European war after more than 7 decades, and resultant disruptions galore, our industry still managed to do very well. Economic turmoil may have peaked in 2022, China exited covid-zero and started living with the virus, the pent-up stimulus from China should be a shot in the arm for their property sector and bring a sharp recovery back to the dry bulk shipping world. This will be aided by the very low, 7.16% ratio of ships-on-order compared to existing supply at the start of 2023, and the regulatory pressure from EEXI and CII to slow ships and to increase pressure to recycle ships starting this year. Turmoil and disruptions are, counterintuitively, good for shipping, as we have seen during the pandemic with declared results in 2022 being above or very close to the high reached in 2021. Yes, economic conditions may be weak in 2023, but this could be overcome if China's property and steel-intensive stimulus takes hold in a non-covid-zero environment. The dry bulk market has had a history of uninterrupted ton-mile growth for the past 3 decades at 2 to 3 times world GDP growth rates. That came to an end by 2010 and we are getting accustomed to a ton-mile growth rate that is between 1 to 2 times world GDP growth rates. Future dry bulk ship supply has been nicely constrained due to crowding-out by other sectors grabbing all available shipyard berth space; shipyards finding it more lucrative to build higher value ships, bulkers are the lowest margin ships to build; transitioning away from internal combustion fossil fuel burning ship engines to ammonia or other fuels of the future, have conspired to deliver a two+ decade low forward orderbook to existing ship ratio of just 7.16% at the start of 2023. Regulatory pressure should also help whittle down the existing fleet via recycling and/or slow steaming. Shipping has always proved more resilient than anyone has ever given it credit for, so, on balance, we think we have a lot more to be optimistic about!

Factors Affecting the BDI:

- Excavator sales in China have risen for the last 5 consecutive months till November 2022 when they were up 15.8% y-o-y. December data is not yet out. Research by Arrow Shipbrokers says that this is the leading indicator for construction and infrastructure activity in China. It is also the leading indicator that has accurately predicted the inflection points in the BDI since 2008.
- China exported 2.5m cars in 2022, three times the level in 2020, leaving it just 60K less than Germany.
- Air travel at the start of 2023 within China is back at January 2019 levels.
- 8 BMT is the amount of coal the world will consume in each year during 2023 and 2024.
- The IMF, according to Bloomberg (16 Jan 23), described China's move away from covid-zero as the single most important factor for global economic growth in 2023. China's reopening has also allayed fears of a recession in the ROW and of the world successfully negotiating out of an inflationary cycle.
- Iron ore imports into China from Australia increased by +3.4% y-o-y to 739.5 MMT. Imports from Brazil declined by -7.1% y-o-y to 223.4 MMT. Shorter ton-mile increased over longer ton-mile negatively impacting the capesize sector.
- The BDI started 2022 at 2,285 and finished 34% lower at 1,515 points. It peaked at 3,369 on 23 May and troughed at 965 on 31 August, a 70% spread between high and low.
- Capes started 2022 at \$19,940 on 4 Jan, hit a peak of \$38,169 on 23 May, a trough of \$2,505 on 31 Aug and closed the year at \$18,749 on 23 Dec with an average of \$16,177 down 51% y-o-y. Capes spend 74% of their time on iron ore and 21% of their time on coal. When you have that much of concentration risk of the type of cargoes carried and with a single dominant customer, China, accounting for over 60% of all iron ore imports, you are setting yourself up for volatility.

- Panamax started 2022 at \$25,865 on 4 Jan, hit a peak of \$30,746 on 28 Mar, a trough of \$10,956 on 31 Aug and closed the year at \$13,813 on 23 Dec with an average of \$20,736 down 23% y-o-y.
- Supras started 2022 at \$24,303 on 4 Jan, hit a peak of \$33,366 on 24 Mar, and closed the year at a trough of \$11,685 on 23 Dec with an average of \$22,152 down 17% y-o-y.
- Handies started 2022 at \$25,322 on 4 Jan, hit a peak of \$32,166 on 28 Mar, and closed the year at a trough of \$11,941 on 23 Dec with an average of \$21,337 down 17% y-o-y. The smaller sizes with real diversification in terms of cargoes carried and ports visited have had a less spectacular though, more stable ride, on the roller coaster of the current dry bulk freight market.
- Ton-mile demand growth, estimated by Clarksons at -1.25%, during 2022 was lower than net supply growth of +2.86%. Yet PSL's results for 2022 was like that achieved in 2021.
- 2022 was a story of a gradual slowdown of the demand side colliding with a marginal increase in supply with decreased fleet inefficiencies releasing more ships into the market, despite a reduction in the world fleet's speed by 0.2 knots (source: Clarksons as on 31 Dec 2022). Though all this failed to spoil the dry bulk party in the first 3 quarters of the year, Q4 was impacted by this confluence of events. Rates continued to slowdown during the start of Q1 2023 aided by the early start of Chinese New Year on 22/23 Jan 2023. This reaffirms that demand-supply is in balance and freight markets will be characterized by extreme volatility and sharp rate movements in both directions as we have seen in 2021 and 2022 with the slightest change in demand and/or supply. We expect more of the same in 2023.
- The dry bulk market dropped sharply in Q4 due to congestion abating; the negative development in the steel complex globally; and the real estate industry in China failing to perform. But the order book to fleet ratio at just 7.16% holds out hope for a better 2023.
- In 2023, according to Clarksons (as on 31 Dec 2022 and Clarksons Jan 2023 DBTO), ton-mile demand is expected to grow by 1.59% (major bulks by 2.35%, and minor bulks by 0.47%) while net increase in supply is expected to grow by 2.4% (gearless ships by +3.0%, and geared ships by +1.3%). We hope that with the opening of the Chinese economy, as China abandoned their covid-zero policy in Dec 22, ton-mile demand growth will spike in 2023. Regulatory changes implemented by IMO in 2023 via EEXI and CII should help slow down the world fleet, induce more scrapping, and thereby reduce net effective supply. Between these two factors (growing demand and shrinking supply), the gap between demand and supply will narrow in favor of the ship owners and we could possibly see, 2023 as a similar, though marginally weaker, year as in 2021 and 2022.
- The World Economic Forum at Davos warned a global recession is likely in 2023.
- The World Bank has lowered its forecast for world GDP to grow by 1.7% in 2023.
- According to the IMF, a third of the world would be in recession in 2023.
- According to Edward Yardeni, founder of Yardeni research, 12 Oct 2022 was the bottom for stock markets, and we are in a bull market since then.
- In 2023, the car market may collapse. Morgan Stanley warns "we may be witnessing the sharpest pivot from undersupply to oversupply of light vehicles in a generation."
- In a recent report from the World Bank, China contributed 38.6% to global economic growth from 2013 to 2021.
- 16 MMT of grain was shipped from the Black Sea between Aug and end Dec 2022.
- Chancellor Olaf Scholz speaking at a security conference in Berlin pushed for a pre-war relationship, but not a return to the strong partnership, with Russia, indicating peace was preferential to the war and current sanctions.

- Reconstruction needed in Ukraine, once the war ends, will be great news for dry bulk, with Olaf Scholz indicating a spend equal to the Marshall Plan.
- The incentives to build new ships will remain low with greater value in the secondhand market.
- Coal fired power plants in Southeast Asia at the start of 2023 stood at 98 Giga Watts (GW) with capacity expected to grow by 55% to 152 GW by 2030 (according to Dry Bulk Outlook, Q4 2022, Maersk Broker). Coal imports in Southeast Asia are therefore expected to almost double over the next 7 years, once again giving credence to the famous quip by Mark Twain, duly paraphrased, that the rumors of the demise of King Coal have, therefore, been greatly exaggerated.
- India's rice exports fell by 6% from a year ago to 20.2 MMT in 2022 according to Drewry.
- India's thermal coal import increased by 15% to 161.18 MMT in 2022.
- China imported 91 MMT of Soybean down 5.6% in 2022 compared to 2021.
- China imported 20.6 MMT of corn down 27.3% in 2022 compared to 2021.
- China imported 9.96 MMT of wheat up 1.9% in 2022 compared to 2021.
- China imported 1,107.8 MMT of iron ore down 1.6% in 2022 compared to 2021.
- China imported 293.3 MMT of coal down 9.4% in 2022 compared to 2021.
- China produced 1,013.0 MMT of Steel down 1.8% in 2022 compared to 2021.
- China exported 67.4 MMT of Steel up 0.9% in 2022 compared to 2021.
- China imported 10.5 MMT of Steel down 26.3% in 2022 compared to 2021.
- China's average PMI index was 49.1 during 2022.
- China's 2022 GDP growth was 2.7% during 2022.
- In Jan 2023, IMF calculated world GDP grew by 3.4% in 2022. IMF revised upwards 2023 world GDP growth to +2.9% and +3.1% for 2024.
- The USA's 2022 average inflation number was 8.0% compared to 4.7% in 2021. Similar average numbers for UK and EU for 2022 were 9.1% and 8.4%, and 2.6% and 2.6% for 2021, respectively.
- Containerships ordered in 2022 at 2.6 M-TEU took the total orderbook to 7.3 M-TEU. The orderbook to fleet ratio for Containerships at the start of 2023 is 28% compared to start of 2022 figure at 23%. (Clarksons Jan 2023 CIM).
- The SCFI for Asia-Europe crashed during 2022, falling 86% from \$7,777 to \$1,078 per FEU on China-North Europe and down 75% from \$7,529 to \$1,850 per FEU on China-Med. The SCFI for Transpacific was down 82% from \$7,994 to \$1,423 per FEU on China-USWC and was 74% lower from \$11,833 to \$3,067 per FEU on China-USEC.
- The current orderbook to fleet ratio, at the start of 2023, for the dry-bulk sector is 7.16% (for the geared sector 7.56% and for the gearless sector 6.94%).
- Recycling of dry-bulk vessels has gone down from 5.47 MDWT in 2021 to 4.76 MDWT (-13%) in 2022.
- PSL's exposure to the smaller geared segments means that it will be exposed to growth in net supply of 1.3% in 2023, according to Clarksons.
- Ships 20 years or older, comprising about 77.97 MDWT or 8.07% of the existing fleet (41.41 MDWT of the geared fleet or 12.15% and 36.56 MDWT of the gearless fleet or 5.85%) at the start of 2023 would be ideal candidates for recycling due to the pressure from the new EEXI/CII rules starting in 2023.
- Clarksons expectations for 2023 and 2024 is that ton-mile demand will be 1.59% and 2.02% while net supply growth will be 2.4% and 0.3% in each of these two years.

- Market prospects at the start of 2023 can be inferred by comparing the forward orderbook of 69.14 MDWT with the existing 20+ year fleet of 77.97 MDWT, and as a percentage of (7.16%) the existing fleet.
- PSL's estimate of growth in supply by end of 2023 and 2024 of 2.75% and 1.72% (966.03 MDWT to 992.63 MDWT by end 2023 and then to 1,009.69 MDWT by end 2024), conservatively assumes recycling of just 8 MDWT/year and slippage of just 5% per year in 2023 and 2024.

Key Supply Side Developments:

We started 2022 with 939.15 MDWT and have increased to 966.03 MDWT (+2.86%) at the start of 2023. If we were to apply slippage of 5% (it was -8.15% for 2022) to the scheduled deliveries in 2023 and 2024 and assume scrapping reaches 8 MDWT (it was actually 4.76 MDWT during 2022) we would be left with a net fleet growth of 2.75% (966.03 MDWT to 992.63 MDWT of which 340.73 MDWT to 348.87 MDWT for the geared sector, 625.30 MDWT to 643.76 MDWT for the gearless sector) by end of 2023 and 1.72% by end of 2024 (992.63 MDWT to 1,009.69 MDWT of which 348.87 MDWT to 357.19 MDWT for the geared sector, 643.76 MDWT to 652.50 MDWT for the gearless sector.) Ballasting ships, slowing speeds in 2023 especially due to EEXI/CII regulations, will further assist in supply side tightening.

Differences in 2003-2009, 2010-2020, 2021, 2022 and the future:

Differences in 2003-2009, 2010-2020, 2021, 2022 and the future

Daily average Time Charter rate	2003 – 2009	2010 – 2020	2021	2022
Capesize	67,101*	14,924***	33,333**	16,177**
Panamax	32,793*	10,965***	26,898**	20,736**
Supramax	28,013**	10,765***	26,768**	22,152**
Handysize	18,753**	8,789***	25,702**	21,337**
Demand Billion Ton-miles per year	+5.4%	+4.2%	+3.63%	-1.25%
Average Speed (knots)	13.5***	11.5***	11.4	11.2
Chinese Stimulus	China enters WTO 2001	USD 578 bn (2009)	\$667 bn (mid year 2020) (ROW \$20 trillion+)	\$2.3 trillion ^a
Orderbook/Fleet ratio per year (start of each year)	+36.02%	+26.23%	+7.03%	+6.88%
Annual average % of 20-year-old (start of each year)	+18.38%	+11.27%	+6.25%	+7.26%
Annual average net supply growth	+6.8%	+6.4%	+3.55%	+2.86%

2022 & The Future

At the start of 2022, for the first time this century, the 20+ year old fleet was larger than the forward order book, and at the start of 2023 it was still 8.07% versus 7.16%, respectively.

Note: *BCI 172K (4TC), BPI 74K (4TC), BSI 52K (6TC), BHSI 28K (6TC).

**BCI 180K (5TC), BPI 82K (5TC), BSI 58K (10TC), BHSI 38K (7TC)

***Combine of above two classification

^aBloomberg calculates Chinese stimulus at \$ 5.3 trillion!

[^]Yr. TC 32K, 1 Yr. TC 52K used for years where there was no BHSI (2003-2006) or no BSI (2003-2005).

[^]Average speed in 2008-2009 and average speed in 2012-2020

Source: Clarksons Index Timeseries, Clarksons World Seaborne Trade Timeseries, Clarksons Speed Timeseries and Clarksons World Fleet Register as on 31 Dec 2022

If you look at the time charter rates for the period 2003-2009 it was the highest for the Capes compared to the other three periods. For the Panamax and Supras, during 2003-2009, rates were almost 3X higher than in the 2010-2020 period, almost equal to rates in 2021, and around 1.5X higher than in 2022. For the Handy size, 2021/2022 were almost 3X/2.5X higher than in 2010-2020 and almost 1.5X/1.2X higher than in 2003-2009. However, demand growth rate in ton-miles in the four periods declined from the 2003-2009 period of 5.4% to 4.2% (2010-2020), to 3.63% (2021), and to -1.25% in 2022, and yet PSL produced better results in 2022 than in 2021! What was different, of course, was the average orderbook to fleet ratio being highest in 2003-2009 dropping by 27% in 2010-2020, by 80% in 2021, and 81% in 2022. The other significant difference was that orderbook to fleet ratio was 2X the 20-year-old fleet in 2003-2009, 2.3X in 2010-2020 and just 1.1X in 2021, and 0.9X in 2022, with a similar figure at the start of 2023 of 0.9X. Average speed dropped from 13.5K in 2003-2009 by 17% to 11.2K in 2022, further helping to tighten the net effective supply of ships. All this indicates weak supply growth in the future and indicates markets could be stronger for longer.

BDI started out in 2022 at 2,285 reached a peak of 3,369 on 23 May, and since then, has fallen. Why did rates accelerate in this fashion and then fall so quickly? Demand-supply for dry bulk at the start of 2021 was in perfect balance, and as ton-mile estimated demand by Clarksons during 2021 grew at 3.63% compared to net fleet growth at 3.55%, rates skyrocketed during 2021 due to inefficiencies reducing the effective net fleet! But during 2022 China decided to reign in their out-of-control real estate sector by letting Evergrande and its brethren collapse, imposed strict anti-pollution controls on coal fired power plants post COP26, curtailed steel production, and insisted on blue skies during the winter Olympics, ton-mile demand of necessity, took a hit and dropped to -1.25% according to Clarksons (World Seaborne Trade Timeseries as on 31 Dec 2022), colliding with a net supply increase of +2.86% as per Clarksons (World Fleet Register as on 31 Dec 2022), with decreased fleet inefficiencies releasing even more ships into the market, despite a reduction in the world fleet's speed by 0.2 knots (source: Clarksons Speed Timeseries as on 31 Dec 2022). Consequently, rates in 2022 dropped in Q4 2022 for the opposite reasons that they skyrocketed to a peak in Q4 2021. The central bankers of the ROW tapering QE and hiking interest rates from March 2022 to combat inflation, did not help the demand side during 2022. With demand-supply coming into balance in 2021 rates skyrocketed. But the time charter rates fell during 2022 due to slowing down of demand in China (for the reasons already mentioned) and demand in the ROW slowing down due to central banks raising interest rates sharply to fight inflation. Consequently, a lot of the fleet inefficiencies that was present in 2021, and had helped rates skyrocket, started to unwind during 2022 releasing more ships into a demand challenged market growing at -1.25% making rates fall in Q4 2022 and into Q1 2023. This extreme volatility, within each year, due to minor changes in demand-supply, will be the name of the game for the dry bulk freight markets in 2023 and beyond!

The geared sector, Supras and Handy sizes, had lower volatility in rates compared to the gearless sector, Capes and Panamax, due to the reasons expressed here but also because they had a slower net growth rate in DWT in supply of ships in 2021-2022 combined at 18.88 MDWT (geared ships), versus 40.16 MDWT (gearless ships).

China still needs affordable housing in a big way but not the type of luxury houses being built by Evergrande and their compatriots in which everyone invests, makes paper profits, but no one lives in. By letting the big real estate developers suffer, China tried to control this sector and push them to focus on affordable housing that the common man needs, would love to own, and live in, via policy means like the lowered reserve requirement ratio for banks, the interest rate cuts, and lowered mortgage lending benchmark interest rates. It may take some more time, but if the real estate developers start building affordable housing in a big way, it will likely push up steel requirements to the levels prior the Evergrande debacle. That would be a big win for the dry bulk sector.

As can be seen, all the reasons for the slowdown in Q4 2022 and into Q1 2023 are due to decisions made by governments, be it in China moving from covid-zero to living with covid (dry bulk is very dependent on China), or in the ROW (Fed Reserve raising interest rates very sharply during 2022 to combat inflation and promising to hold it higher for longer). These decisions have curtailed demand, but when reversed, they will allow demand to flourish once again, and we could be back at the same point we were at the start of 2021!

The Industry Outlook:

A truncated supply of new ships is expected for the next few years. The fleet stood at 939.15 MDWT at the start of 2022 and by the end of the year had grown to 966.03 MDWT. During the year, 4.76 MDWT was recycled, and 31.64 MDWT was delivered, thus making net fleet growth of 2.86%. The existing orderbook stood at 69.14 MDWT (deliveries up to end of 2025), or 7.16% of the world fleet at the start of 2023. Specifically, in the geared segment, net fleet growth was 3.22% in 2022 in the Handy/Supra/Ultra segment and the existing orderbook for the geared fleet stood at 25.77 MDWT (deliveries up to end of 2025), or 7.56% of the geared world fleet at the start of 2023. This will help reduce the pressure from the Supply side of the equation.

While the supply side looks appealing on the surface, it does not factor in regulatory impacts or the current age profile of the fleet. At the start of 2023, 8.07% (77.97 MDWT) of the world dry bulk fleet (12.15% or 41.41 MDWT of the geared dry bulk fleet) was over the age of 20, and 13.80% (133.33 MDWT) of the world dry bulk fleet (17.52% or 59.70 MDWT of the geared dry bulk fleet) will be over 20 by the end of 2025 if none of these

ships have been recycled by then. The first conclusion to draw from this is that the current orderbook is, at best, replacement capacity and will not increase capacity. Secondly, vessels over the age of 20 were designed, built, and delivered at a time when the average price of oil was \$19.7/barrel with a low of \$10/barrel during the peak of the Asian Crisis during 1998/2000, hence were designed for power and not for fuel economy. Ships that are 20 years old or older will find it difficult to compete against younger more fuel-efficient vessels. It is our opinion that going into 2023, recycling should pick up, and new orders should slow as new regulations like EEXI, and CII come into force on 1st January 2023. Ships 20 years or older, comprising 77.97 MDWT or 8.07% of the existing fleet (41.41 MDWT of geared ships or 12.15% and 36.56 MDWT of the gearless fleet or 5.85%) at the start of 2023 would be ideal candidates for recycling as they would have to invest in ballast water treatment systems, IMO 2020, expensive special surveys, and face regulatory-led recycling in 2023 due to EEXI, and CII.

The Cape sector (90,000+ DWT: 2,270 ships of 414.44 MDWT at the start of 2023): 118 ships of 22.69 MDWT or 5.47% of the existing DWT are scheduled for delivery up to end of 2025. In this sector, 181 ships of 30.46 MDWT or 7.35% will be over 20 years of age by end of 2025 and some or all of them are likely to be recycled during 2023 to 2025.

The Panamax sector (70,000 – 90,000 DWT: 2,648 ships of 210.86 MDWT at the start of 2023): 252 ships of 20.68 MDWT or 9.81% of the existing DWT are scheduled for delivery up to end of 2025. In this sector, 572 ships of 43.18 MDWT or 20.48% will be over 20 years of age by end of 2025 and some or all of them are likely to be recycled during 2023 to 2025.

The Supra/Ultramax sector (40,000 – 70,000 DWT: 4,009 ships of 225.59 MDWT at the start of 2023): 382 ships of 21.57 MDWT or 9.56% of the existing DWT are scheduled for delivery up to end of 2025. In this sector, 736 ships of 37.33 MDWT or 16.55% will be over 20 years of age by end of 2025 and some or all of them are likely to be recycled during 2023 to 2025.

The Handysize sector (10 – 40,000 DWT: 4,292 ships of 115.14 MDWT at the start of 2023): 156 ships of 4.19 MDWT or 3.64% of the existing DWT are scheduled for delivery up to end of 2025. In this sector, 910 ships of 22.37 MDWT or 19.42% will be over 20 years of age by end of 2025 and some or all of them are likely to be recycled during 2023 to 2025.

When reading the above numbers please keep in mind that Slippage was -8.15% and recycling accounted for 4.76 MDWT in 2022. Slippage has averaged 6% over the last 5 years (2018 to 2022) and recycling accounted for 7.53 MDWT annually over the last 5 years (2018 to 2022). Both slippage and recycling fluctuate inversely with the BDI and availability of finance.

On a net basis, the global fleet increased by 2.86% in 2022. According to Clarksons, the fleet is forecast to grow at 2.4% while ton-mile demand (for dry bulk seaborne trade) will grow at 1.59% in 2023. This gap between expected demand growth and expected supply growth in 2023 should make for an increasingly volatile market. As supply and demand came into perfect balance during 2021, the market would be characterized by extreme volatility, when any small change in demand or small change in supply, would have a disproportionate impact on the BDI.

Recycling of ships: The freight market is the prime mover that drives ships to the recycling yards. The lower the freight market the greater the number of ships at the recycling yards. Regulations impacting supply like EEXI, and CII will also influence DWT of ships sent for recycling. Deliveries in 2022 at 31.64 MDWT were muted when compared to average annual deliveries for the decade of 43.41 MDWT per year (2013 to 2022) of new capacity delivered.

Regulatory impacts should see many more ships heading for the recycling yard in 2023 and beyond. IMO 2020 has resulted in more expensive but 'cleaner' LSFO being burnt by ships from 1st January 2020. EEXI and CII will result in lower emissions from shipping globally. As a result, the level of pollutants reaching the air that we breathe, as well as the 'acid' rain that results from such emissions, will continue to reduce annually.

Climate Change:

- 2022 was the first year ever when investment in green energy at \$1.1t (+33% over 2021) equaled investment in fossil fuels.
- A city in northern China had the coldest day ever.
- In the decade 2001-2011, the north-central region of Greenland was 1.5 degrees Celsius hotter than it has been in the last 1,000 years!
- The World Bank, IFC, IMF, and other development banks hold the key that could open a torrent of private funding into fighting the climate crisis.
- Exxon's scientific research, going back decades, showed the adverse impact their business had on global warming. But the executives at Exxon cast doubt publicly on such research to ensure their profit steam never dried up.
- The insurance industry is struggling with climate change induced regular annual losses of over \$100b.
- Coal's share of the USA's electricity mix has fallen from 50% in 2005 to just 22% as natural gas and renewable energy make big strides.
- If cement production were a country, it would be the world's 3rd largest emitter.
- Water levels in seas are rising at the fastest rate in over 3,000 years and temperatures are the highest in 11,000 years. Island nations are right to push for a CO2 tax on shipping at the IMO to save their nations from drowning.
- Hydroclimate whiplash is when droughts are followed by floods as happened in Pakistan and California recently.
- The big wall street banks funded the fossil fuel industry with \$4.6t while funding green energy with just half that number since the Paris COP21 in 2015 that agreed a 1.5-degree max warming target. Shows you the hypocrisy and profit-focused nature of these banks.
- 1 million Somalis have abandoned their homes, searching for food in the worst drought in over 40 years.
- 2022 was the hottest year in UK's history.
- 2023 started with the warmest start-of-the-year day on record in parts of EU.
- In mid-December, 195 nations pleasantly surprised the world with a pledge to restore 30% of the world's land and water resources by 2030!
- The 4-decade worst drought in the horn of Africa and water shortages in West Africa have left 76m people food insecure with Somalia on the verge of famine.
- The IEA says that new wind and solar power in 2022 will be 460 TWH, equal to that consumed by France in 2019, and in 2023 that figure will jump to 650 TWH equal to what Brazil consumed in 2019!
- According to a 16 December article in Bloomberg 'In the next decade, millions of new cars will go electric, and thousands of energy grids will switch to renewable sources. For many regular drivers and small business owners, this will mean an enormous, and very unpredictable, shift in their electricity bills. Ford uses a software service called Arc to sort out the best time for customers to charge their electric cars and assess how much charging will cost.'
- 342,000 electric vehicles were exported from China up to end of Q3 of 2022 equal to 29% of vehicle exports, a big increase from 2019.
- US scientists have created more heat output than energy used in nuclear fusion. The clean fuel of the future should be within our grasp in the next decade or so.

- The IMF approved \$319 million for Rwanda to help deal with risks of climate change.
- A 13-day leak from a natural gas storage facility operated by Equitrans released ~1 billion cubic feet of natural gas, mainly consisting of Methane, that is 80 times more harmful than CO₂ to the atmosphere, negating 50% of the emission gains from selling 656,000 EVs in USA in 2021.
- As ton-mile demand increases above tons carried, more CO₂ is released while carrying less cargo. This is due to the inefficiency in the globally sanctioned trading system.
- A video (<https://www.youtube.com/watch?v=3DOcQRI9ASc>), released in October 2021 by the UN makes the climate crisis feel very real, close, and personal. At just 2.5 minutes this video is well worth your time.
- The dirtiest industries from a GHG perspective have raised \$4.3t of debt, more than double that in 2015.
- The US East Coast got hit by a winter storm in late November that dropped 6 feet of snow, or double the previous record, in Buffalo.
- India is generating more power from coal than ever before since the start of the Russia-Ukraine war, showing the difficulty of transitioning to clean energy.
- If ever proof was needed, 74% of natural disasters between 2001 and 2018 are water related, according to UN-Water, as reported by Bloomberg. Temperatures are rising everywhere leading to glacier melts, adding to floodings from unpredictable rain patterns according to the WMO.
- The total insurance cost due to natural catastrophes in 2022 reached \$260b.
- The third pole is on its way to extinction, by the end of this century, due to global warming.
- The IEA's annual report shows global renewable power capacity will grow by 2,400 GW, equal to the entire power capacity of China today, to 5,640 GW by 2027.

COP27:

COP (Conference of the Parties) is the annual meeting of the ~200 countries that are signatories of the UN Climate Convention committed to tackling global warming. In 2022, we reached annual meeting number 27, named COP27. Concrete joint targets are rarely set at the COPs, they are there to negotiate and agree on long-term political signals. The Paris Agreement resulting from COP21 in 2015 was a landmark COP since it was a legally binding treaty requiring countries to submit and follow concrete climate targets and required each member-country to increase its climate targets every five years. Around 90% of all global emissions are covered by 'Net Zero 2050' i.e., to cut emissions and achieve carbon neutrality by 2050. The 2022 COP27 is considered the 'implementing COP', with focus on holding parties to account for their targets announced last year. The EU, US, and China have set clear pledges backed by policies.

Takeaways from COP27:

- The gap between the promises governments, companies and investors have made to cut planet-warming emissions in future years, and their actions today, has caused emissions to keep rising. This increase was driven by higher oil use in transport, particularly aviation, as economies continued to reopen from lockdowns during covid.
- The Russia-Ukraine war created an energy crisis with the EU's sudden need to replace Russian gas causing the price of oil, coal and, especially, LNG to surge.
- Emissions from burning coal increased, as countries turned to the most-polluting fossil fuel after sanctions on imports of Russian gas supplies by the US/UK/EU.
- The optics of European countries burning more coal and funding new projects to burn more gas, while at the same time urging poorer countries to wean themselves off the fuel, have led some countries at the climate summit to complain of backsliding on green goals.

- CO2 emissions from burning fossil fuels will rise by 1% in 2022, scientists said, warning this would make it harder for the world to avoid disastrous levels of climate change.
- The very countries that made Saudi Arabia and the UAE feel unwelcome at the COP26 summit in Glasgow, are now pressing them to pump more oil and gas to fill the gap left by plunging Russian supplies. That has driven up prices and filled their coffers just as consuming nations struggle with rising inflation and slowing economies.
- The UN Environment Program's (UNEP) initiative, dubbed MARS or Methane Alert and Response System, that uses the existing network of space satellites to spot methane plumes around the globe, estimate how big they are, identify the responsible party, and encourage companies and governments to curb emissions of the powerful GHG through its public database.
- 150 nations have signed up to the methane pledge to cut emissions of the super-harmful greenhouse gas by 30% by the end of the decade.
- USA will toughen a proposed crackdown on methane emissions from their oil and gas industry by requiring all leaks to be fixed, not just the biggest, and through new rules on flaring.
- The US Inflation Reduction Act will see more than \$300 billion spent on boosting renewable energy and curbing emissions. It puts the US on a more credible path to meeting its 2030 emission targets.
- Agriculture escapes scrutiny at climate summits, considering its the second biggest emitting sector globally, just below heating and electricity generation. The US-UAE pledged \$8b into R&D to reduce the impact from farming.
- Today 87 countries are drawing at least 5% of their electricity from wind and solar. The US hit 5% in 2011 and surged past 20% renewable electricity in 2021. If the US follows the trend set by others, wind and solar will account for 50% of US power-generating capacity in just 10 years from now.
- In 2022, ten percent of people still do not have electricity.
- China, US, and Europe, the three biggest polluters, and the other 70 countries, that account for more than 75% of global emissions, have set targets to cut their greenhouse gas pollution to zero.
- Transportation is responsible for 25% of the world's energy consumption.
- Turkey's carbon emissions will rise by 32% by the end of this decade, based on figures from its new climate plan.
- Brazil's president, Luiz Inácio Lula da Silva, got a reception unlike any other for a leader at COP27. And Lula did not disappoint in his 10-minute speech, delivered in Portuguese, he vowed to fight the illegal destruction of the world's greatest forest, the Amazon.
- France and Spain joined a pledge to stop sales of gasoline-driven vehicles by 2035, five years earlier than planned.
- Approved unanimously, the creation of a new fund for loss and damage to help developing nations face the devastation of climate change is a precedent-setting moment three decades in the making.
- The US and China started working together on climate again.
- In a year when demonstrations were very limited, young climate activists managed to maintain momentum. Their pavilion at the expo area was possibly the liveliest place of the meeting.
- Two Energy Transition Partnership funding deals were announced, shifting Vietnam and Indonesia away from coal power.
- A call to reform the global financial architecture so that it better aligns with climate goals by tweaking the mandates of the World Bank and the IMF, to ensure greater financing flows to energy-transition projects and efforts to adapt to a warming planet.

- COP27 failed to raise ambitions on reducing emissions and means the world will miss the under 1.5 degrees Celsius warming target enshrined in the 2015 Paris COP21 Agreement.
- As many as 80 countries now support the phase down of all fossil fuels that didn't make it to the final text, yet it wasn't even on the cards before the summit.
- Efforts to secure stronger commitments on cutting GHG emissions failed. And attempts to have nations agree to peak global emissions by 2025 or phase down all unabated fossil fuels also fell flat.
- Overall, However, this COP proves that multilateral negotiations are still relatively intact.
- Environmental groups were disappointed by a lack of progress on their calls for a ban on exhaust gas scrubbers.

Regulations:

Environmental groups have referred to the IMO's legal division their calls for a ban on scrubbers that conflict with the UN Law of the Sea. Their argument is very simple, scrubbers take pollution from the air and pass it into the sea, harming the marine environment, which goes against UNCLOS.

The IMO has declared the Mediterranean Sea will become a 0.1% Sulphur Emission Control Area from 2025.

An article in TradeWinds dated 18 Jan 23 stated: 'When an EU-funded project studying shipping emissions tested the impact of scrubber discharges on organisms that live in the ocean, they found harmful effects even if the tiniest amount of the pollutants were present. The EMERGE project is coordinated by the Finnish Meteorological Institute and involves scientists in nine universities and five research institutes. Its partners also include Greek container ship manager Danaos Shipping, technology company Creative Nano and the Baltic Marine Environment Protection Commission. Looking forward, Maria Granberg, a senior researcher at IVL Swedish Environmental Research Institute, thinks there should be a ban on discharges of scrubber water into the sea. I've been working as an ecotoxicologist for 25-30 years now, and it's very rare that we see such strong effects at such low concentrations of something, and it really calls for action.'

PSL maintains it is not justifiable to transfer pollution from the air to the sea, hence we only use low sulphur fuel oil on all our ships.

We have said this before, but it bears repeating; the IMO must place a ban on the delivery of any fossil fuel-burning new ship from a specific date, say 1 January 2030, or earlier. At the same time, older vessels must be recycled by 2030 at the latest. These hard deadlines would focus the collective minds of shipyards, engine makers, regulators, zero-emission fuel suppliers and their entire land/sea supply chain, and shipowners on the choice of fuel for the future ZEVs.

PSL plans to order brand new ZEVs starting in 2028. The reason for waiting is for clarity on the 'fuel of the future'. Besides, there is no reward, but all the risk, for being a first mover, and PSL is too small to take on this role. Right now, it appears the fuel of the future will be Ammonia, but Methanol is making a strong bid too, but has issues that remain unresolved like production of e-methanol, energy density, tank capacity needed, etcetera.

China and Covid-Zero:

The mainstream media could not stop criticizing China's covid-zero policy while it was in force. Now that China has abandoned this policy in December 2022, the same mainstream media cannot stop criticizing China for doing this 'abruptly and with no exit strategy' in place. In China's covid-zero case, it is damned if you do, and damned if you don't. The IEA forecast China's oil consumption could be between 15 to 15.8 MBPD in 2023. It all depends on the number of covid infections, hospital admissions, death rates, and if the latter two are low, oil consumption will be high and vice versa. China's oil consumption is expected to have dropped from 15.4 MBPD in 2021 to 15 MBPD in 2022. Jet fuel consumption in China is expected to be far below its 2019 levels while most countries are back at pre-pandemic levels in 2022. But if covid hospitalizations/death rates are low we could see a spike in China's oil consumption above 2019 levels in 2023.

Russia-Ukraine War:

- This war will severely test UK/EU's willingness to go along with America, if a severe winter sets in and people start dying due to the extreme cold, with heating costs being so high that they cannot afford to keep sufficiently warm to avoid the grim reaper's call. So far, the winter has been much warmer than usual, and hence the pressure on the EU has receded.
- According to Reuters calculations, Germany has spent \$500b since the war, and sanctions imposed on Russia, on combatting the fallout from the rising cost of energy, and the nationalization of Uniper will add another \$216b to that figure.
- For a different view of the world around us, this article (https://original.antiwar.com/ted_snider/2022/12/18/the-troubled-us-saudi-relationship/) by Ted Snider, who has a graduate degree in philosophy and writes on analyzing patterns in US foreign policy and history, is a good read.
- In the FH of 2022 US was the largest exporter of LNG and in Sep exported 4M cubic meters per day, a new record.
- War games replicating a Chinese invasion of Taiwan are the latest moves by the neocon hawks within the military-industrial-congressional-complex. Looks like the neocons are not happy with just one hot war, they are pushing scenarios for the next hot war in the South China Sea.
- Finally, a top can stand only when spinning very fast; a bicycle only when it is moving; a tripod can stand even if it is stationary; a table is even more stable. Clearly, a multipolar world headed by core countries, is the natural state of stable equilibrium for the world.

Container Shipping:

The dramatic collapse in the Container markets is due to a significant reduction in waiting times at ports. The SCFI was up WOW on 30 December, but down 78% YOY from the boom, however, 37% above the spot level prevailing in 2019. The order book at 28% (for ships over 17K TEU, it is at 61%). And that is scary, but with industry consolidation as high as it is, reduction of supply is something that can be managed as we have seen in 2020. At the start of 2020, the shipping pundits were reading the last rights for container shipping, but by managing supply the industry turned 2020 into the start of three consecutive years with multiple billion dollars of profits!

Inflation:

In an article by Professor James K Galbraith, in Project Syndicate, dated 18 Nov 22, on taming of inflation, he writes 'Debt rose in the second quarter and even more in the third. The price of Bitcoin increased until late March, after which it fell by about two-thirds, including by 20% in the space of five days earlier this month. Similarly, the US housing price index peaked in May and has been falling ever since. The yield curve is now inverted, meaning that short-term interest rates on Treasuries are higher than long-term ones, a strong sign of more trouble ahead.' You can read the entire article here. (<https://www.project-syndicate.org/commentary/inflation-not-persistent-fed-guided-by-politics-by-james-k-galbraith-2022-11>)

Nobel Laureate, Professor Joseph Stiglitz, in this article ([https://theintercept.com/2022/12/12/inflation-covid-war-joseph-stiglitz-ira-regmi/?utm_medium=email&utm_source=The Intercept Newsletter](https://theintercept.com/2022/12/12/inflation-covid-war-joseph-stiglitz-ira-regmi/?utm_medium=email&utm_source=The+Intercept+Newsletter)) explaining the cause of inflation, states 'Faithful consumers of America's elite media, TV news, the New York Times, the Washington Post, generally get the impression that everyone in the US is on the same team. While we may disagree on how to get there, we all share the same economic goals: a fast-growing economy with low unemployment and a thriving middle class, one whose members keep doing better than their parents. This is absolutely false. The people at America's commanding heights do not want this at all. And if you look at it from their perspective, that's easy to understand. Low unemployment means an unruly workforce with the leverage and confidence to unionize. Rising wages for employees means less money for employers.'

Inequality:

2022 showed that there is some justice or equalization on this planet, but not necessarily for all.

- Elon Musk lost more than \$208b.
- Jeff Bezos lost \$80b.

- Mark Zuckerberg lost \$78b.
- Larry Page and Sergey Brin each lost \$40b.
- Phil Knight lost \$18.3b.
- Leonard Lauder lost \$9.8b.
- Dan Gilbert lost \$8.1b.
- Theranos founder, billionaire, and convicted fraudster, Elizabeth Holmes might land in a 'heavenly jail'.
- FTX's Sam Bankman-Fried faces 115 years in a 'non-heavenly' jail.
- Jack Ma lost \$13.1b.
- Yang Huiyan lost \$11.6b.
- Zhong Shanshan lost \$11.3b.
- Collectively, the billionaires lost \$1.4 trillion in 2022.
- Evergrande's chairman, once one of China's richest men, lost 93% of his \$42b wealth.
- 10% of people in the UK will not manage heating bills without government aid in 2023.
- Hypocrisy, when dealing with white versus colored people, was called out when the Irish MP took the President of the EU to task in this video. ([https://videoparliament.ie/movies/Richard Boyd Barrett-01-12-22v.mp4](https://videoparliament.ie/movies/Richard%20Boyd%20Barrett-01-12-22v.mp4))
- This article by Thom Hartman is worth a read as it describes the exacerbation of inequality due to vested interests. (<https://www.counterpunch.org/2023/01/04/was-the-southwest-airlines-meltdown-impacted-by-the-great-share-buyback-scam/>)

Shipping News:

In the 2000s bulkers enjoyed a "supercycle" (driven notably by Chinese demand for raw materials) over an extended period of >70 months from end 2001, which saw average earnings multiply by ~10. Similarly, the recent container boom, a year was spent around the peak of the cycle (2007-08). Previous trends also make clear that, following extraordinary conditions, sharp returns to normal levels are not unusual once supply tightness "loosens". The bulker and tanker examples show downswings just as sharp as the drop seen recently in containers. (Clarksons – 4 Nov 22)

LNG carrier spot rates surged rapidly through Sept and Oct. The spot rate assessment for a 174k cbm 2-stroke unit reached \$480,000/day on 18 Nov, while the rate for a 160k cbm DFDE LNG carrier stood at \$445,250/day, six times the long-run average of \$75,000/day, almost double the previous record high set last winter. (Clarksons – 18 Nov 22)

Ship speeds go up and down with market conditions. Bulker and containership speeds increased across 2020 and 2021 as market conditions rebounded from the initial impacts of covid-19. Bulker speeds increased by >2% between start-20 and start-22 as markets saw significant gains, whilst boxship speeds rose by >3% between May-20 and May-22 in the extraordinary container markets. However, speeds slowed recently as the bulker market has softened and containers have seen a dramatic correction. In October, containership speeds were down by 3% on Oct-21, and bulker speeds down 4%. Recent upticks in speed have been modest. Despite record container markets and very strong bulker markets, current average speeds are ~2% below 2019 average pre-covid levels. Tracking speeds will be part of monitoring the impact of new regulations, with capacity supply and market impacts. (Clarksons – 25 Nov 22)

A huge wave has smashed into a Viking Ocean Cruises vessel off Argentina, killing one person and injuring four more on the Viking Polaris built 2022, on 30 November 2022. (TradeWinds – 2 Dec 22)

Car carriers are chalking up new records, supported by long-haul trends. Factors influencing the outlook are, from pent-up demand, shifting trade patterns, and EV uptake, to macroeconomic headwinds and fleet inefficiencies; 1 year TC rate for a c.6,500 ceu PCTC now stands at \$105,000/day (double the Q2 '08 record), with fixtures now typically being concluded for multiple years and much of the charter fleet now 'fixed forwards'. (Clarksons – 9 Dec 22)

The IMO's 79th MEPC session this week designated the Mediterranean Sea as a 0.1% Sulphur Emission Control Area from 2025. Continuing pressure on dry bulk trade with our global seaborne dry bulk trade indicator

(SIN TSID 546175) down 3.3% y-o-y in November amid a clear slowdown in minor bulk trade volumes where our indicator was down 15% y-o-y. (Clarksons – 16 Dec 22)

Environmental groups were disappointed by a lack of progress on their calls for a ban on exhaust gas scrubbers that conflict with the UN Law of the Sea, have been referred to the UN shipping regulator's legal division. (TradeWinds – 26 Dec 22)

The SCFI was marginally up WOW for the first time since July to 1,108 on 30 December but is down 78% YOY which was the peak level during the container boom. Having corrected sharply this fall (c5% weekly decline on average between September and November), the Shanghai spot index remains 37% above the 2019 levels. (DNB Markets – 3 Jan 23)

Deliveries of bulkers in 2023 will increase to 30.15 MDWT. In 2022, deliveries totaled 28.68 MDWT, -20% y-o-y from 35.91 MDWT in 2021. Demolition activity in 2023 will rebound to 5.12 MDWT. In 2022, recycling of 3.37 MDWT, was -48% y-o-y from 6.54 MDWT in 2021. Net fleet growth for 20-64,999 DWT will continue around +3% y-o-y in 2023, and then slow to about +2% in 2024. The fleet grew by +3% y-o-y in 2021. Contracting has slowed down throughout 2022. The orderbook-to-trading ratio is a modest 7.1% in DWT. Trade volumes in 2022, iron ore shipments declined by -2.3% y-o-y to 1,519.4 MMT. Exports from Australia increased by +1.5% but from Brazil, declined by -2.0% y-o-y. In 2022, global seaborne coal increased by +5.8% y-o-y to 1,204.8 MMT. Coal loadings from Australia -5.0% y-o-y, from Indonesia +21.1% y-o-y, from Russia +3.0% y-o-y, from USA +6.7% y-o-y. (Banchemo Costa – 20 Jan 23)

Sales of excavators in China correlate closely with fluctuations in the BDI and rose steadily in the five consecutive months to November 2022, Arrow Shipbroking said in a research note on Thursday. Sales in November were up by 15.8% year-on-year. December data is expected to be published soon but may show a slight fall due to disruptions caused by China's rapid reopening, following widespread Covid lockdowns, Arrow noted. "Excavator sales have been one of the most reliable leading indicators of construction activity in the past and picked up all the turning points in the BDI since 2008," Burak Cetinok, head of research at Arrow Shipbroking. (TradeWinds – 20 Jan 23)

At the heart of reducing shipping's 2.3% (855 MMT) contribution to global CO2 will be an unprecedented fueling transition and we project increasing underlying fleet renewal requirements as the decade develops. The entry into force of IMO "short term measures" (EEXI, CII) is a hugely significant milestone in shipping's decarbonization pathway (as will the EU's ETS be in 2024) and is a market "wildcard". (Clarksons – 20 Jan 23)

In 2022, iron ore imports to China declined by 1.0% y-o-y to 1,077.7 MMT. Imports from Australia increased by 3.4% to 739.5 MMT, and from Brazil declined by 7.1% y-o-y to 223.4 MMT. (Banchemo Costa – 22 Jan 23)

During 2022, BSI time charter averaged \$22,078/day, -17.1% y-o-y, whilst BHSI time charter averaged \$21,282/day, -16.9% y-o-y. During 2022, Handy and Supra deliveries totaled 8.68 MDWT, +6% y-o-y over 2021. Demolition will increase in 2023 to 1.09 MDWT. During 2022, demolition totaled 0.41 MDWT, -62% y-o-y over 2021. Net fleet growth for bulkers in the 20,000-64,999 DWT range is expected at +3% y-o-y in 2023, and +3% in 2024. The fleet grew by +3% y-o-y in 2022. Contracting has slowed in 2022 with orderbook-to-trading ratio at a modest 8.0% in DWT terms. (Banchemo Costa – 26 Jan 23)

Chinese regional carrier SITCs profits nearly doubled last year on the back of the booming container market. The Hong Kong-listed feeder operator made a net profit of more than \$1.9bn in 2022, according to preliminary and unaudited accounts. That is up from \$1.17bn for the previous year. (TradeWinds – 1 Feb 23)

Economic News:

Uniper reported a record \$39.3 billion net loss, among the biggest in German corporate history, reflecting expected future losses in the wake of Russia's move to stop its supplies. (Reuters – 4 Nov 22)

Europe is racing to fill the gap left by Russian gas, but emerging nations like Pakistan, Bangladesh and Thailand are the ones who will suffer as they compete with economies several times their size. (Bloomberg – 8 Nov 22)

Britain's GDP shrank by 0.2% in the third quarter, official data showed. (Reuters – 11 Nov 22)

At his peak, crypto mogul Sam Bankman-Fried was worth \$26 billion. At the start of this week, he still had \$16 billion. Now: a whole lot less. The collapse of FTX.com, the biggest bankruptcy of the year, provides another lesson in what happens when the hype of personality meets the cold wind of reality. (Bloomberg – 11 Nov 22)

The UK has tipped into recession, with its economy having shrunk by 0.2% in Q3. The Bank of England expects this to be a prolonged recession, perhaps into 2024. The European Commission said that the EU would also probably tip into recession during the current quarter, with growth returning in the spring. (Fortune - 11 Nov 22)

Big tech has big problems. After a bull run that lasted years, the sector is suffering a sharp correction. Alphabet, Amazon, Apple, and Microsoft have collectively lost \$2trn in stock market value in the past year. On November 9th Meta, the parent of Facebook, Instagram, and WhatsApp, said it would shed 11,000 people, or 13% of its workforce; Twitter's new owner, Elon Musk, sacked half its personnel. According to Crunchbase, more than 60,000 American techies have been shown the door in 2022. Beset by bloating and egomania, big tech would benefit from active boards and investors. What do big tech and buy-out barons have in common with GE? Unaccountable bosses, declining returns on capital, and fed-up investors. (The Economist – 12 Nov 22)

China issued sweeping relaxation measures on property and Covid controls, in the strongest signal yet that President Xi Jinping is now turning his attention on rescuing the economy. Beijing unveiled an extensive 16-point rescue package for the struggling real estate market, just days after announcing 20 measures to guide officials as it eases its contentious Covid-Zero policy. (Bloomberg – 12 Nov 22)

Amazon is going to fire 10,000 people, the largest-ever mass termination by the e-commerce giant founded by Jeff Bezos. The company faces slower growth and fear of a downturn, like other tech companies that have cut thousands of people over the past few weeks. (Bloomberg – 14 Nov 22)

Over the past week we have been watching the collapse of the crypto universe with grim fascination. Only recently, Sam Bankman-Fried was in the stratosphere. FTX, his cryptocurrency exchange, then the third largest, was valued at \$32bn; his own wealth was estimated at \$16bn. Today there is nothing left but 1m furious creditors, dozens of shaky crypto firms, and a proliferation of regulatory and criminal probes. The exchange's own terms of service said it would not lend customers' assets to its trading arm. Yet of \$14bn of such assets, it had reportedly lent \$8bn-worth to Alameda Research, a trading firm also owned by Mr Bankman-Fried. It accepted as collateral its own digital tokens, which it had conjured out of thin air. A fatal run on the exchange exposed the gaping hole in its balance-sheet. To cap it all, after FTX declared bankruptcy in America, hundreds of millions of dollars flowed out of its accounts. (The Economist – 17 Nov 22)

Joe Biden and Xi Jinping met in-person for the first time as leaders on Monday (14 Nov 22) and signaled their desire to salvage fraying US-China ties ahead of this week's G20 summit in Bali. It's positive that talks took place at all, as relations between the two powers have hit a 10-year low due to tensions over Taiwan and US-imposed export controls targeting China's semiconductor industry. (Financial Times – 17 Nov 22)

After two years in which the pandemic was the force shaping the immediate future, the main driver now is the war in Ukraine. The world will have to contend with the conflict's impact on geopolitics and security; high inflation; chaos in energy markets; and China's uncertain post-pandemic path. To complicate matters, all these are tightly coupled, like interlocking series of gear wheels. The pandemic marked the end of a period of relative stability. Unpredictability is the new normal, and there is no getting away from it. (The Economist – 19 Nov 22)

The world's poorest countries now owe \$62 billion in annual debt service to official bilateral creditors, an increase of 35% over the past year, World Bank President David Malpass said, warning of defaults. (Bloomberg – 1 Dec 22)

According to research by the Social Market Foundation think-tank, and the Public First consultancy, there are 7.2 million people in Britain who face an energy bill crisis without help. (Reuters – 1 Dec 22)

Vladimir Putin is open to negotiations on Ukraine if the West recognizes Russia's "new territories", the Kremlin said, after Joe Biden said he was willing to talk (though not right now, the White House said). (Reuters – 2 Dec 22)

China has ordered its top four state-owned banks to issue offshore loans to help developers repay overseas debt, in Beijing's latest support measure for the cash-starved property sector. (Reuters – 2 Dec 22)

China's exports and imports shrank at their steepest pace in at least 2-1/2 years in November, as feeble global and domestic demand, covid-led production disruptions and a property slump piled pressure on the world's second-biggest economy. (Reuters – 7 Dec 22)

The pain has been intense. As of mid-October, a portfolio split 60/40 between American equities and Treasuries had fallen more than in any year since 1937. House prices are dropping everywhere from Vancouver to Sydney. Bitcoin has crashed. Gold did not glitter. Commodities alone had a good year, and that was in part because of war. (The Economist – 8 Dec 22)

The Fed's monetary tightening campaign is having a major impact in deflating asset bubbles that swelled during the first years of the pandemic. The cryptocurrency market, once valued at \$3 trillion, has shrunk by more than two-thirds; Investor-favored technology stocks have tumbled by more than 50%; Red-hot housing prices are falling for the first time in 10 years. And all of this is occurring without upending the financial system. (Bloomberg – 8 Dec 22)

Britain's jobless rate rose for a second month amid signs that inflationary heat in the labor market is cooling as the economy stumbles, and an increase in older people looking for work. The UK recorded the highest number of working days lost to labor disputes in October for more than ten years. (Bloomberg – 13 Dec 22)

US scientists are set to announce a breakthrough on fusion energy, potentially a step toward one day harnessing the process that fires the sun to generate carbon-free electricity. (Bloomberg – 13 Dec 22)

Former FTX CEO Sam Bankman-Fried faces extradition after he was arrested in the Bahamas last night. Prosecutors from the Southern District of New York are this morning due to unseal money-laundering and fraud charges against him in connection with his stewardship of the now-collapsed FTX empire. Bahaman authorities said the US had formally notified them that an extradition request was on its way. (Fortune – 13 Dec 22)

The US got the strongest sign that inflation may have finally peaked. Excluding food and energy, the consumer price index rose only 0.2% in November, the smallest monthly increase since August 2021. This inflation gauge is a key one for economists and a favorite of Fed Chair Jerome Powell. It is a promising sign that the central bank's strategy is working. (Bloomberg – 13 Dec 22)

The US Fed is not close to ending its anti-inflation campaign of interest-rate increases Powell said, after raising rates by 50 basis points to a 4.25% to 4.5% target range. Policymakers projected rates would end next year at 5.1%, before being cut to 4.1% in 2024. Powell said the size of the next rate increase, on Feb. 1, would depend on incoming data, leaving the door open to another half-percentage point move. (Bloomberg - 14 Dec 22)

The labor market, despite thousands of firings by tech firms, banks, and others in recent weeks, remained resilient as employers largely held onto workers. Retail sales fell in November by the most in nearly a year, a broad-based decline reflecting the strain of inflation and a shift toward spending on services. Several factory gauges also showed contraction, burdened by higher borrowing costs and weaker demand. (Bloomberg – 15 Dec 22)

After setting aside almost half a trillion dollars tackling its energy crisis, Germany is poised to take on risks of 216 billion euros (\$229 billion) of derivatives built up by energy giant Uniper. Germany is nationalizing Uniper in the biggest corporate bailout in the country's history, after Russia's move to choke off gas threw Europe's biggest economy into chaos. (Reuters – 19 Dec 22)

Together, the 500 richest people on the planet (as listed in the Bloomberg Billionaires Index), managed to lose \$1.4 trillion. (Bloomberg – 29 Dec 22)

IMF chief Kristalina Georgieva warned one third of the world would be in recession in 2023. (Bloomberg – 3 Jan 23)

Tesla stock dropped 65% in 2022, but the company's market value of \$389 billion, still makes it more valuable than Toyota, General Motors, Stellantis, and Ford, combined. (Bloomberg – 3 Jan 23)

Wall Street and its brethren clearly remain dedicated to funding the companies most responsible for global warming. Since the Paris climate agreement was announced in 2015, banks have raised almost \$4.6t for oil, gas, and coal companies, double the \$2.3t for green loans/bond sales. (Bloomberg – 4 Jan 23)

Fed Reserve last month affirmed their resolve to bring down inflation and, in an unusually blunt warning to investors, cautioned against underestimating their will to keep interest rates high for some time. (Bloomberg – 4 Jan 23)

For nearly three years China has been closed: hardly anyone has entered or left it. From January 8th it will reopen its borders, thus scrapping the last remnant of Xi Jinping's zero-covid policy. Because the government has failed to prepare properly by vaccinating the elderly, the coming months will see widespread infection and death within China. But eventually something resembling normality will return. The revival of commercial, intellectual, and cultural contact with China should be welcomed. But its post-covid economic recovery will be hugely disruptive for the global economy, pushing up the price of oil, gas, and other commodities, stoking inflation and forcing central banks to keep monetary policy tighter for longer. (The Economist – 5 Jan 23)

Campbell Harvey, the economist who pioneered the link between inversions and slowdowns, reckons this time maybe we will not get a US contraction despite the deepest inversion since 2001 between 10-year and three-month yields. Part of his reasoning is that his model was linked to inflation-adjusted yields, and market expectations for a rapid slowdown in CPI growth boost the odds of avoiding recession. (Bloomberg – 5 Jan 23)

According to a recent report from the World Bank, China contributed an average of 38.6% to global economic growth from 2013 to 2021, more than the G7 countries combined. (China.org – 6 Jan 23)

India's thermal coal import, used for power generation, grew 14.7% to 161.18 MMT in 2022. (Reuters – 9 Jan 23)

A Chinese invasion of Taiwan would quickly collapse but exact high costs on the island democracy and the US Navy, according to the results of an extensive set of war games by Center for Strategic and International Studies, a Washington think tank. (Bloomberg – 9 Jan 23)

Andy Rothman, an investment strategist at the Matthews Asia fund, says that a huge pool of Chinese household savings could fuel a spree of spending once the exit from Covid lockdowns is achieved. He notes that family bank balances are up 42%, or \$4.8tn, since the start of 2020, an amount larger than the UK's GDP. (FT – 10 Jan 23)

"The outlook for the world economy is actually improving," the president and founder of Yardeni Research said. US equities "made a low on Oct 12. That was the end of the bear market, and we are back in a bull market." Since closing at 3,577.03 that day, the S&P 500 has risen almost 10%. (Bloomberg – 11 Jan 23)

During the car-buying frenzy of the early pandemic, the global auto industry enjoyed tremendous pricing power. In 2023, the market is set to skid off the road. Morgan Stanley warns that "we may be witnessing the sharpest pivot from undersupply to oversupply of light vehicles in a generation." (Bloomberg – 11 Jan 23)

The World Bank sharply reduced its forecast of world economic growth this year, to 1.7%, which would be the third-weakest pace in nearly three decades, behind the global recessions of 2009 and 2020. (The Economist – 12 Jan 23)

The World Economic Forum's annual meeting began in Davos with corporate executives and economists warning a global recession is likely this year. (Bloomberg – 16 Jan 23)

Surging energy prices found funds from Saudi Arabia to Qatar and Abu Dhabi managing more than \$3.5 trillion, an amount that exceeds the UK's GDP. (Bloomberg – 18 Jan 23)

China could see a sharp recovery in economic growth from Q2 onwards based on current infection trends after the dismantling of most covid restrictions, IMF Deputy Managing Director Gita Gopinath said. (Reuters - 19 Jan 23)

8 BMT of coal is expected to be consumed by the world each year in 2023 and 2024, a new record as the energy crunch fuels demand. (Bloomberg – 19 Jan 23)

Air travel in China has already bounced back to January 2019 levels, but departures from the country are almost 90% lower compared with pre-pandemic levels. (Bloomberg – 22 Jan 23)

Overseas shipments of cars made in China crossed 2.5 million last year, triple what they were in 2020, and just 60,000 units behind Germany. As a result, China is poised to become the world's No. 2 exporter of passenger vehicles. (Bloomberg – 27 Jan 23)

The \$160 billion memory-chip industry is suffering one of its worst routs ever. There is a glut of chips sitting in warehouses, customers are cutting orders as they cope with inflation and rising interest rates, and product prices have plunged. The unprecedented crisis is wiping out cash at industry leaders, destabilizing suppliers and denting Asian economies that rely on tech exports. (Bloomberg – 29 Jan 23)

The IMF raised its growth outlook for the first time in a year, saying it sees a “turning point” for the global economy. The risk of a global recession remains, as well as one in the US, but it's diminishing, the IMF said, thanks in part to resilient American spending and China's reopening. (Bloomberg – 31 Jan 23)

Climate News:

On day two at COP27 speaking on behalf of the Alliance of Small Island States, Antigua's PM Gaston Browne told delegates in Egypt: “The oil and gas industry continues to earn almost USD 3 billion in daily profits. It is about time that these companies are made to pay a global carbon tax on their profits as a source of funding for loss and damage.” A report commissioned by Egypt and Britain shows that developing countries need to work with investors, rich countries, and development banks to secure \$1.0t a year in external financing for climate action by the end of the decade and to match that with their own funds. (Reuters – 8 Nov 22)

The Third Pole is a region defined by 6,000 cubic kilometers of glacial ice, the largest volume outside the North and South Poles. It is a reservoir that unites Afghanistan, Bangladesh, Bhutan, China, India, Myanmar, and Nepal, as well as 10 of Asia's greatest rivers, from the Indus to the Yangtze. The area is also known as Asia's Water Tower, and it supplies freshwater to over 20% of the global population. With the world on track to surpass 1.5C of warming over pre-industrial levels, some two-thirds of the Third Pole ice will melt away by the end of the century. (Bloomberg – 8 Nov 22)

At COP27 UN experts published a list of projects worth \$120 billion that investors could back to help poorer countries cut emissions and adapt to the impacts of global warming. However, a new report by UN experts said that promises by companies, banks, and cities to achieve net-zero emissions often amount to little more than greenwashing. (Reuters – 9 Nov 22)

Floods in West Africa have destroyed the harvest for this season, while nearly 1 million hectares of farmland across the region remain under water, with soil nutrients being washed away, setting the scene for an even worse crop production next season. (Reuters – 9 Nov 22)

Global CO2 emissions from burning fossil fuels are on track to rise around 1% this year, scientists said, warning this would make it harder for the world to avoid disastrous levels of climate change. (Reuters – 11 Nov 22)

In America's dusty Corn Belt this spring, the land was drowning. In China's Yangtze River basin, it's bone dry. Farmers in both are fighting a losing battle to save the soil that produces our food. A prolonged drought in Iraq, which has only worsened in recent years, was crippling livelihoods. Farmers in neighboring Syria and Turkey are also struggling with lower rainfall. (Reuters – 14 Nov 22)

The EU supports India to phase down fossil fuel use as part of a COP27 deal, Frans Timmermans the bloc's climate policy chief said, provided it does not weaken previous agreements on reducing the use of coal. His comments come even as the EU ramps up its quest for coal and natural gas in the near term to counter an energy supply crunch triggered by high demand and supply disruptions since Russia's invasion of Ukraine. (Reuters – 16 Nov 22)

The COP27 climate conference in Egypt may be remembered as the moment when the world gave up on limiting global warming to 1.5 degrees Celsius, the most ambitious goal set by the 2015 Paris Agreement. On the last scheduled day of the climate talks in Sharm el-Sheikh, the heads of the national delegations were still discussing if the final documents should include a reference to that temperature target, which scientists call a limit that, if breached, would push some Earth systems past dangerous and irreversible tipping points. (Inside Climate News – 19 Nov 22)

Western New York state got slammed with 6 feet of snow, that more than doubled the city of Buffalo's previous one-day snowfall record. (Reuters – 21 Nov 22)

India's coal-fired power output is surging, faster than any other Asia-Pacific country since Russia invaded Ukraine in February, and underscores just how difficult it will be to transition away from the world's dirtiest fossil fuel. The IEA puts India's coal consumption at 1,053 MMT in 2021, an all-time high, and India is the only major country in Asia besides Japan where coal-fired power in overall electricity production increased in the six months since March. (Reuters – 21 Nov 22)

Trade is a major cause of global warming. Think of all those goods traveling from far away on ships emitting CO₂, and raw materials and components whizzing across the world in complex supply chains. So, the right trade policies can do a lot to save the planet. (Reuters – 22 Nov 22)

The 16 industries considered to have 'very high' environmental risks have \$4.3t of rated debt (equal to Germany's GDP), up from \$2t in November 2015. That equals about 5.1% of total debt outstanding, up from 3% in 2015. Whether this upward trend continues "largely depends upon the direction of environmental regulations, policy and corporate actions," said SS Ram, lead author of the report. (Bloomberg – 30 Nov 22)

\$260 billion is the estimated total economic losses from natural catastrophes such as floods, hurricanes, and wildfires in 2022. (Bloomberg – 1 Dec 22)

The IEA expects 460 terawatt-hours of new wind and solar power generation in 2022, about as much power as France consumed from all sources in 2019. In 2023, the clean energy research firm BNEF expects about 650 terawatt-hours of new wind and solar, more power than all that Brazil consumed in 2019. Since 1950, US power generation has expanded more than 12 times, from 300 terawatt-hours a year to more than 4,000. Its key resources, however, have taken very different paths. Coal has peaked and fallen; nuclear rose and plateaued; petroleum has nearly vanished. Today, gas and renewables are both growing. (Bloomberg – 22 Dec 22)

Climate-driven weather disasters across a dozen African countries are threatening the physical and mental development of an entire generation, and their plight is expected to get even worse next year. The worst drought in at least four decades across the Horn of Africa in the east and floods and water shortages in West Africa's Sahel region have left 76 million people food insecure. Parts of Somalia are on the verge of famine. (Bloomberg – 23 Dec 22)

74% is the share of natural disasters that were water related between 2001 and 2018, according to UN-Water. Climate change is distorting rain patterns across the planet, leading to drought and floods, while rising temperatures are causing glaciers to melt, according to the first ever comprehensive review of water resources by the World Meteorological Organization (WMO). (Bloomberg – 29 Nov 22)

Thirteen new pathogens have been found under ancient permafrost in Siberia, and the so-called "zombie viruses" remained infectious despite being trapped for millennia. Researchers say the discovery is the latest threat to humans posed by the climate crisis. (Bloomberg – 2 Dec 22)

The IEA's annual report shows that global renewable power capacity is expected to grow by 2,400 gigawatts (GW), equal to the entire power capacity of China today, to 5,640 GW by 2027. (Reuters – 5 Dec 22)

Researchers have long warned of the negative impact's climate change will have on the world's staple crops. A recent spike in hunger and famine reveals the instability of a global food system that is ill prepared for shocks from war, pandemics, severe storms, or drought. In the Horn of Africa nearly 26 million people are

facing extreme hunger and some areas are already reaching catastrophic famine levels, according to the UN. (Inside Climate News – 11 Dec 22)

About 1 million Somalis have abandoned their homes in search of food amid their country's worst drought in over four decades. (Bloomberg – 12 Dec 22)

A leak from a 4.1 cm vent on a natural gas storage well operated by Equitrans Midstream Corp was discovered on Nov 6 and lasted for 13 days, allowing more than 1 billion cubic feet to escape. Methane, the primary component of natural gas, has a devastating impact on the climate if released directly into the atmosphere, where it has more than 80 times the warming power of carbon dioxide in its first two decades. (Bloomberg – 13 Dec 22)

The IMF approved \$319 million for Rwanda under a new arrangement aimed at helping countries deal with risks such as climate change. (Bloomberg – 13 Dec 22)

COP15, the UN Biodiversity Conference in Montreal, delivered a surprise win in the form of a pledge by 195 nations to protect and restore at least 30% of the Earth's land and water by 2030. (Bloomberg – 17 Dec 22)

A first-draft estimate issued by the WMO in November predicted the year would rank as the fifth or sixth hottest on record, 1.15C above the 1850-1900 average. That would make the last eight years the hottest since global measurements began, according to the WMO's count. (Bloomberg – 3 Jan 23)

The first few days of 2023 produced record-high winter temperatures across parts of Europe, bringing calls for faster action against climate change. Britain experienced its hottest year on record in 2022, the national weather service confirmed, saying human-induced climate change had made what would normally be a once-in-500-year event likely to happen every three or four years. Germany's CO2 emissions held steady in 2022, jeopardizing its climate targets as higher use of oil and coal offset lower energy consumption and record renewables output. India approved a \$2.11b plan to promote green hydrogen to cut emissions and become a major exporter in the field. (Reuters – 5 Jan 23)

California's extreme swings from dry weather to drenching, highlight what's known as "hydroclimate whiplash," another effect of global warming. (Bloomberg – 6 Jan 23)

In the first half of 2022, the US became the world's top exporter of LNG. Then, in September, crude oil exports hit an all-time high when the country sent abroad about 4 million BPD. (Inside Climate News – 7 Jan 23)

Sea-level rise is already faster than it's been in at least 3,000 years and water temperatures are warmer than they have been in the last 11,000. Speed at which ice sheets melt could yet affect the rate of sea-level rise, and by extension the fate of coastlines and islands, in unexpected ways. (Bloomberg – 9 Jan 23)

The insurance industry is struggling to adapt to a new normal in which climate change-fueled losses are now regularly exceeding \$100 billion a year. Insured losses from natural disasters hit about \$120 billion in 2022, most of which was weather related, according to data compiled by Munich Re. (Bloomberg – 9 Jan 23)

A kilowatt-hour of lithium-ion battery storage declined in cost by 80% from 2013 to 2021. That trend reversed last year. As commodity price increases and inflation hit the battery sector, prices rose for the first time in at least 12 years, by 7%. They are expected to remain elevated this year and not drop until 2024. (Bloomberg – 12 Jan 23)

New research shows that oil giant Exxon's own climate projections, dating back decades, consistently predicted how burning fossil fuels would cause global warming. The finding lends understanding that Exxon executives knew climate change was real, but publicly cast doubt on the science anyway. (Inside Climate News – 14 Jan 23)

The World Bank is set to wield huge influence over how the energy transition is financed, dwarfing the promised efforts of Wall Street giants like JPMorgan or BlackRock to help eliminate emissions. In fact, without the

World Bank and other multilateral development banks (MDBs), the dollars in the balance sheets of financial firms may never be reallocated to climate-positive investments at the magnitude required to slow catastrophic global warming. While asset managers, banks, and insurers with more than \$140 trillion of assets have promised to zero out their financed emissions by 2050, just a fraction of that money has been used to address the climate crisis. As Larry Fink, BlackRock's CEO, has argued, the World Bank and IMF would be most useful in the transition to clean energy if they acted like insurers that reduce risk for private investors. (Bloomberg – 17 Jan 23)

The coldest and highest parts of the Greenland ice sheet, nearly two miles above sea level in many locations, are warming rapidly and showing changes that are unprecedented in a millennium, scientists reported. "We find the 2001-2011 decade the warmest of the last 1,000 years," said Maria Hörhold, the study's lead author and a scientist at the Alfred Wegener Institute in Bremerhaven, Germany. Compared with the 20th century, the enormous north-central region of Greenland, is now 1.5 degrees Celsius warmer, and that the rate of melting and water loss, which raises sea levels, has increased in tandem with these changes. (Washington Post – 18 Jan 23)

China recorded its coldest day ever in a city in the north as it continues to fight infections. (Bloomberg – 23 Jan 23)

2022 was the first year when investment in energy transition equaled global investment in fossil fuels at \$1.1t. (Bloomberg – 26 Jan 23)

Covid-19 News:

China eased some of its strict Covid rules, including shortening quarantines by two days for close contacts of infected people and for inbound travelers, and removing a penalty for airlines for bringing in too many cases. (Reuters - 11 Nov 22)

China is reporting a near-record number of Covid-19 cases, spurring major cities from Beijing to Shanghai to revert to broad restrictions and mass testing. Amid its extended "Covid-zero" policy, the Chinese government signaled more monetary stimulus is possible. But dissent is becoming more readily apparent as workers at Apple's main iPhone-making plant in China clashed with security personnel. Protests also broke out in China's far western Xinjiang region, with crowds shouting at guards after a fire there killed 10 people and triggered anger over their prolonged Covid-19 lockdown. Authorities said the building's residents were able to go downstairs, but videos of emergency crews' efforts led many internet users to surmise that residents could not escape in time because the building was partially locked down. Many of Urumqi's 4 million residents have been barred from leaving their homes for as long as 100 days. (Reuters – 26 Nov 22)

China said it would bolster vaccinations of senior citizens; a move regarded by health experts as crucial to reopening an economy that's been stuck in a loop of "Covid zero" curbs. (Bloomberg – 29 Nov 22)

China's abrupt reversal on "Covid zero" may trigger a tidal wave of infections in which the country suddenly catches up to the rest of the world in a very bad way. Little time has been spent putting in place the mitigation measures needed to deal with the resulting explosion in cases, which could total 5.6 million a day. The deaths that may result could top 2 million. (Bloomberg – 9 Dec 22)

Chinese officials continued to downplay the risks of Covid-19 as restrictions are eased, with a top medical adviser saying the fatality rate from the omicron variant of the virus is around 0.1%, like that of the common flu. (Bloomberg – 11 Dec 22)

Covid is rapidly spreading through Chinese households and offices after the country's pandemic rules were unexpectedly unwound last week, sparking confusion on the ground as ill-prepared hospitals struggle to deal with a surge in cases. Meanwhile, Chinese officials continued to downplay the risks of Covid-19 as restrictions are eased, with a top medical adviser saying the fatality rate from the omicron variant of the virus is in line with influenza. (Bloomberg – 12 Dec 22)

A growing number of China's doctors and nurses are catching covid, and some have been asked to keep working, as people showing mostly moderate symptoms throng hospitals and clinics. China raced to vaccinate its

most vulnerable people in anticipation of waves of Covid infections, with some analysts expecting the death toll to soar after it eased strict controls that had kept the pandemic at bay for three years. (Reuters – 14 Dec 22)

The tsunami of Covid-19 that's taking hold across China is spurring concern that a dangerous new variant could emerge for the first time in more than a year. Medical experts and political leaders in the US and elsewhere fear another round of disease caused by the mutating virus could be unleashed. Daniel Lucey, a fellow at the Infectious Diseases Society of America, said: "It could be more contagious, more deadly, or evade drugs, vaccines and detection from existing diagnostics." Meanwhile, the country's virus surge is now hitting Shanghai, and people are turning to the black market for Covid drugs. (Bloomberg - 22 Dec 22)

International Maritime Organization (IMO) conventions:

International Maritime Organization (IMO) conventions are constantly updated to match demands for enhanced steps to protect the environment. The increasing standards made by the IMO have triggered research and development of 'green technology for the shipping industry. 'IMO 2020' as the regulation on the global cap on sulphur levels is referred to colloquially, entered into force on 1 January 2020. The regulation mandated that sulphur levels in fuel oils consumed by ships outside emission control areas not to exceed 0.5% by mass (referred to as Very Low Sulphur Fuel Oil or VLSFO). While there were concerns initially in the industry regarding the worldwide availability of VLSFO, the oil industry stood up to the challenge and ensured that the product was made available all over the world. Initial concerns regarding the quality of VLSFO being supplied at several ports and suitability for use on ship's equipment that were designed primarily for use with fuels with higher sulphur levels which contributed towards lubricity as well as optimum viscosity have largely been addressed and there have been no major incidents in our fleet on account of the quality or availability of VLSFO.

Ships need to take ballast - basically sea water - in dedicated ballast tanks on board, so that the ship remains stable when there is no cargo on board and so that the ship's propeller is kept well submerged in the water. Administrations of most countries in the world insist on stringent ballast water management practices on board ships so that potentially invasive aquatic life forms from one part of the world do not get deposited in their waters, thereby affecting the local eco-system. Hence the need for regulations that require ships to treat the ballast water taken in the ballast tanks by means of approved Ballast Water Treatment Systems (BWTS) which need to be installed on board. The IMO Ballast Water Management Convention entered into force on 8 September 2017, 12 months after ratification by 30 States, representing 35% of world merchant shipping tonnage. All vessels are required to carry a Ballast Water Management certificate. New vessels built (date of keel laying) after the above date are required to be fitted with IMO approved ballast treatment plants and existing vessels are required to retrofit such plants in a phased manner along with surveys associated with the first renewal of IOPP (International Oil Pollution Prevention) certificate after 8 September 2019. There is also a separate schedule provided by the USCG for the installation of BWTS defined mainly by the number of USCG approved BWTS that were available in the market. USCG as well as IMO approved BWTS have already been fitted on 37 vessels in PSL's fleet. The 1 remaining vessel is currently required to exchange the ballast water taken at ports with ballast taken at over 200 nautical miles from any coast so that she may be permitted to discharge the ballast water at the next port. This last remaining ship will be fitted with an approved BWTS in early 2023.

Decarbonization in shipping: Overview of the regulatory framework:

In 2015, the Paris Agreement on climate change was agreed by parties to the United Nations Framework Convention on Climate Change (UNFCCC). It entered into force on 4 November 2016. Its goal is to keep global temperature rise below 2°C above pre-industrial levels, and preferably limited to 1.5°C.

Even though the Paris Agreement does not include international shipping, the International Maritime Organization (IMO) committed to contribute its efforts to address climate change features prominently in its strategic plan. Consequently, in April 2018, IMO adopted an initial strategy on the reduction of greenhouse gas (GHG) from ships, i.e. emissions including carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O), expressed in CO₂e (carbon dioxide equivalent).

The IMO's initial strategy envisages:

1. a reduction of the average carbon intensity (carbon dioxide (CO₂) emissions per transport work) of international shipping by at least 40% by 2030, pursuing efforts towards 70% by 2050, as compared to 2008 levels; and,
2. to reduce total annual GHG emissions from shipping by at least 50% by 2050 compared to 2008, while pursuing efforts towards phasing them out entirely within this century.

2008 is the baseline year against which future reduction targets are assessed, while 2050 represents an important milestone in the Paris Agreement, which the IMO explicitly references in its strategy. These ambitions are to be accomplished by a blend of measures applicable in the short, medium, and long-term.

Measures have been recently adopted by the IMO as amendments to the MARPOL Annex VI, requiring ships to take a technical and operational approach to reduce their carbon intensity. The mid- and long-term measures are likely to require a high degree of innovation and to result in the global uptake of new fuels and new technologies.

Shipping emissions:

The focus of maritime sector was drawn to air emissions in 1997, when air pollution was included in MARPOL as Annex VI. For the first time, limits were set on main air pollutants contained in ships exhaust gas, including sulphur oxides (SO_x) and nitrous oxides (NO_x), and prohibiting deliberate emissions of ozone-depleting substances.

This annex has since undergone several amendments to reflect the increased focus on reducing ship emissions, for example, on 1 January 2020 a 0.5% sulphur content limit in the fuel oil used on board ships came into force, marking a significant milestone to improve air quality.

Even though shipping is one of the most energy efficient modes of mass transport, it was estimated to have contributed about 2.2% to the global emissions of CO₂ in 2012. As sea transport continues to grow in tandem with world trade, it is imperative to have a global approach to further improve the energy efficiency and effective emission control of the maritime sector.

According to the fourth IMO greenhouse gas study, which was published in 2020, the GHG emissions of total shipping (international, domestic and fishing) have increased from 977 million tonnes in 2012 to 1,076 million tonnes in 2018, a 9.6% increase. Over the period from 2012 to 2018, the carbon intensity of shipping operations improved by about 11%, but these efficiency gains were outstripped by growth in activity. If changes are not made, shipping emissions are projected to increase by up to 50% until 2050 relative to 2018 despite further efficiency gains, as transport demand is expected to continue to grow.

The seventy-fifth session of the IMO's Marine Environment Protection Committee (MEPC-75), held in November 2020, approved the findings of this study and measures to reduce GHG emissions from international shipping were deliberated. Consequently, in June 2021, MEPC-76 adopted amendments to MARPOL Annex VI to reflect the technical and operational goal-based measures to reduce the carbon intensity of international shipping.

IMO Regulations, The International Context:

The IMO has been actively engaged in a global approach to enhance ship's energy efficiency and develop measures to reduce GHG emissions from ships.

The first major step to reduce these emissions was announced in 2011, when the IMO adopted mandatory measures to increase energy efficiency of international shipping. This paved the way for the regulations on Energy Efficiency Design Index (EEDI) for new ships, and Ship Energy Efficiency and Management Plan (SEEMP) – a ship-specific document that provides a mechanism to help improve the energy efficiency of a ship in a cost-effective manner. These mandatory measures (EEDI/SEEMP) entered into force on 1 January 2013, while targets to improve design efficiency (EEDI) of new build ships commenced in 2015.

For new ships, the EEDI requires that energy efficiency is improved in phases such that CO₂ emissions are progressively reduced:

1. During phase one, running from 1 January 2015 to 31 December 2019, the EEDI requires a 10% reduction of carbon intensity below the relevant reference line for newly built ships.
2. In phase two, running from 1 January 2020 to 31 December 2024, the EEDI requires up to 20% reduction of carbon intensity.
3. Phase three of the EEDI, due to commence in 2025, requires an additional 10% reduction, i.e., ships being built in 2025 will be required to be 30% more carbon efficient than those built in between 2000 to 2010.

However, during the MEPC-75, it was decided to move forward the effective date of phase 3, from 1 January 2025 to 1 April 2022, for containerships, large gas carriers (15,000 DWT and above), general cargo ships, LNG carriers and cruise passenger ships having non-conventional propulsion. A carbon intensity reduction requirement will apply to containerships, starting with 15-30% reduction rate for small container vessels and increasing up to 50% for large containerships (200,000 DWT and above). There are also considerations to introduce fourth phase of EEDI in 2027.

In addition to the above, since 2019, under the IMO Data Collection System (IMO-DCS), ships of 5,000 GT and above must collect and report data on fuel consumption under SEEMP Part II. These ships account for close to 85% of CO₂ emissions from international shipping. The data collected will provide a firm basis on which future decisions on additional measures will be made.

The European Union (EU) has also implemented similar regulations on monitoring, reporting, and verifying fuel consumption (EU-MRV) for ships of 5,000 GT and above calling at European ports. While IMO-DCS is an anonymous public database, the EU-MRV is a distinctive public database.

More recently, during the MEPC-76 meeting in June 2021, amendments relating to technical and operational measures to cut the carbon intensity of international shipping were adopted. These amendments will enter into force on 1 November 2022, and include the following:

1. calculation and verification of Energy Efficiency Existing Ship Index (EEXI) – retroactive EEDI requirements applied to existing ships from 1 January 2023;
2. introduction of a rating mechanism (A to E) linked to the operational Carbon Intensity Indicator (CII), taking effect from 1 January 2023; and
3. enhanced Ship Energy Efficiency Management Plan (SEEMP) to include targets for operational emissions, where an approved SEEMP needs to be kept onboard from 1 January 2023.

Technical Measures: Energy Efficiency Existing Ship Index (EEXI):

Like the EEDI, the aim of the EEXI is to measure ship's energy efficiency based on its design and arrangements. This regulation is applicable to all existing ships of 400 GT and above falling under MARPOL Annex VI. The revised MARPOL Annex VI include new regulation 23 (attained EEXI) and 25 (required EEXI).

Ships to which the regulation applies will be required to calculate EEXI value of each individual ship (i.e., attained EEXI) and the value shall be equal to or less than the allowable maximum value (i.e., required EEXI). As such, it is required to develop an EEXI Technical File, which includes the data used for calculation and will be used as a basis for verification of compliance.

Essentially, the EEXI describes the carbon emissions per cargo ton and mile. It determines the standardized CO₂ emissions related to installed engine power, fuel oil consumption and a conversion factor between fuel and the corresponding CO₂ mass. The transport work is determined by capacity, which is usually the deadweight of a ship and the ship speed related to the installed power. The calculation does not consider the maximum engine power, but for most ship types it is 75% of the rated installed power (MCR), or in case where overridable

power limitation is installed it is 83% of the limited installed power (MCRlim). Specific fuel oil consumption of the main engine and ship speed are regarded for this specific power. There are different correction factors that apply, depending on the ship type and capacity.

For ships where the calculated (or attained) EEXI is greater than the required, there will be a need to implement countermeasures to improve its efficiency index. Being a technical or 'design' efficiency index, this may include alterations to the ship's design or machinery, such that:

- the numerator of the EEXI formula will decrease (normally action may be taken on power of main and/or auxiliary engines),
- the denominator of the EEXI formula will increase (normally action may be taken on capacity or ship's speed).

Some of the available options are:

- introduction of an engine power limitation or shaft power limitation
- increasing ship capacity (by increasing the deadweight (DWT) or gross tonnage (GT), if structurally possible)
- propulsion optimization devices, e.g., high efficiency propellers, propeller boss cap fins, Mewis duct, low friction paints, air lubrication systems, etc.
- energy efficiency technologies (EETs), such as., waste heat recovery, wind assisted propulsion, solar cells, etc.
- switching to carbon-neutral fuel, but this might not be viable for most existing ships due to very high capital expenditure (CAPEX).

The regulations are not prescriptive on which improvement method should be deployed and the right solution may vary based on ship type and size. It is vital to consider the ship's age against the cost and payback time of improvement option.

The EEXI Technical File will need to be approved by the ship's Flag State or Class and the compliance with the EEXI regime will be reflected in the International Energy Efficiency Certificate (IEEC) at the first annual, intermediate or renewal survey of the International Air Pollution Prevention (IAPP) certificate on or after 1 January 2023 for ships delivered before 1 January 2023, or at the initial survey of IEEC for ships delivered on or after 1 January 2023.

- In the PSL Fleet, 10 bulk carriers and one general cargo vessel already comply with the EEXI regulations (i.e., attained EEXI < required EEXI) and no reduction in MCR power will be required.
- For the 4 cement carriers, EEXI regulation does not apply to cement carriers. Consequently, there will be no changes to the engine power or ship speed.
- As for the rest of the 23 vessels in the fleet the engine power will have to be limited by installing EPL on or before the first IAPP (International Air Pollution Prevention) Annual survey after 1st Jan 2023. We are pleased to inform that all these 23 vessels' have already been installed with an EPL device well ahead of the deadline.

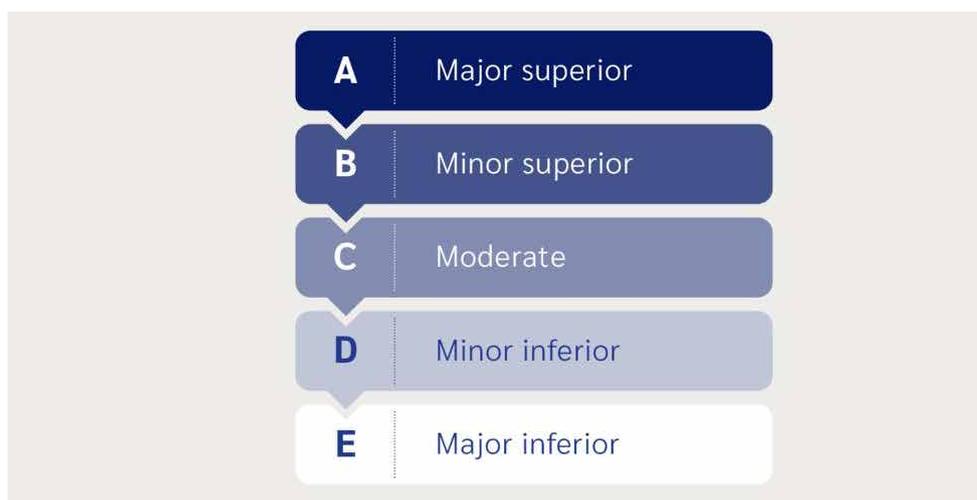
Operational Measures: Carbon Intensity Indicator (CII) and enhanced Ship Energy Efficiency Management Plan (SEEMP):

The CII is an operational measure applicable to ships of 5,000 GT and above, which aligns with the requirements for recording a ship's fuel consumption in accordance with the IMO Data Collection System (IMO-DCS).

As per the revised MARPOL Annex VI regulation 28, from 2023 applicable vessels will need to:

1. calculate attained annual operational CII over a 12-month period from 1 January to 31 December in that calendar year, and
2. demonstrate reductions of carbon intensity from 2023 to 2030. The reduction rates are intended to achieve the levels of ambitions set out in the IMO's initial strategy, in particular, the 2030 level of ambition of reducing carbon intensity of international shipping by at least 40% by 2030, compared to 2008.

Ships will be given an annual carbon intensity rating (CII rating) indicating their performance over the previous year. There are five CII rating categories given on a scale from A to E, where A is the best, based on a calculation of Annual Efficiency Ratio (AER).



The attained annual operational carbon intensity indicator will be based on IMO-DCS. Emissions data must be submitted through the IMO-DCS in addition to the existing fuel consumption requirement. Emissions reporting must, as a minimum, include the AER (for bulk carriers, tankers, container ships, general cargo, LNG carriers, gas carriers, combination carriers and reefers).

As required by the MARPOL Annex VI regulation 26, an enhanced version of the SEEMP (SEEMP-III) will need to be developed. This would include:

1. the ship's CII rating together with the description of the methodology used to calculate the ship's attained annual operational CII,
2. the required annual operational CII for the next three years,
3. an implementation plan documenting how the required annual operational CII will be achieved during the next three years, and
4. a process for reporting to Flag State for verification.

For the PSL Fleet, the enhanced SEEMP-III as required has already been developed, certified by the vessel's Class and placed on board.

From 1 January 2024, ships will be issued with a Statement of Compliance (SoC), covering verified fuel consumption, attained carbon intensity reduction and an annual rating (A to E) based on carbon intensity reduction performance against the required carbon intensity reduction. Ships rated 'D' for three consecutive years or at rating 'E' for one year, will have to submit and implement a corrective action plan showing how they can improve the vessel's efficiency to 'C' or above. The corrective action plan is to be included in the SEEMP.

Periodic SEEMP verification audits will be introduced to ensure plans are in place to achieve the targets and ensure correction plans are being followed where a ship is rated E in any given year, or D in three consecutive years. The frequency and specific requirements of these audits is expected to be discussed at MEPC-77 in November 2021, with guidance developed in 2022.

In addition to the above, the MEPC-76 approved a phased approach of 2% carbon intensity reduction as compared to the 2019 reference line from 2023 (when the MARPOL amendments would enter into force) through to 2026 (when another review to further strengthen the annual reduction rate is due to take place):

Year	Annual reduction factor (from 2019 reference)
2023	5%
2024	7%
2025	9%
2026	11%
2027-2030	Still to be decided

If regular improvements are not made, a ship's CII rating could drop as the targets will become increasingly strict every year. A consequence of this could be a loss of earnings and inability to trade, so there is a strong incentive to improve energy efficiency.

The IMO has standardized the method for calculating the Carbon Intensity Index (CII) for ships. In line with the prescribed method for calculating the CII and after the figures for total fuel consumed and distances sailed by each vessel were verified by the Recognized Organization (NKK for PSL's fleet), we have calculated the CII for the past three years for all the vessels in PSL's fleet. The average CII figures for each type of vessel in PSL's fleet are as indicated in the table below.

VESSEL TYPES	2020			2021			2022		
	No. of Vessels	CO2 emitted (MT)	Average CII (grams/tonne-mile)	No. of Vessels	CO2 emitted (MT)	Average CII (grams/tonne-mile)	No. of Vessels	CO2 emitted (MT)	Average CII (grams/tonne-mile)
CEMENT CARRIERS	4	38,764.85	12.95	4	42,216.46	13.75	4	44,476.70	13.60
HANDY-SIZE	15	185,053.74	7.72	15	198,769.11	7.89	17	195,721.21	7.52
SUPRAMAXES	9	137,970.40	6.11	9	149,800.48	6.42	9	144,056.00	5.98
ULTRAMAXES	8	118,974.06	4.53	8	131,048.50	4.55	8	107,570.11	4.43
TOTAL	36	480,763.05	7.19	36	521,834.64	7.42	38	491,824.02	7.14

As can be noted from the table, the average CII for PSL's fleet of vessels in the year 2022 was 7.14 grams of CO2 emitted per tonne-mile.

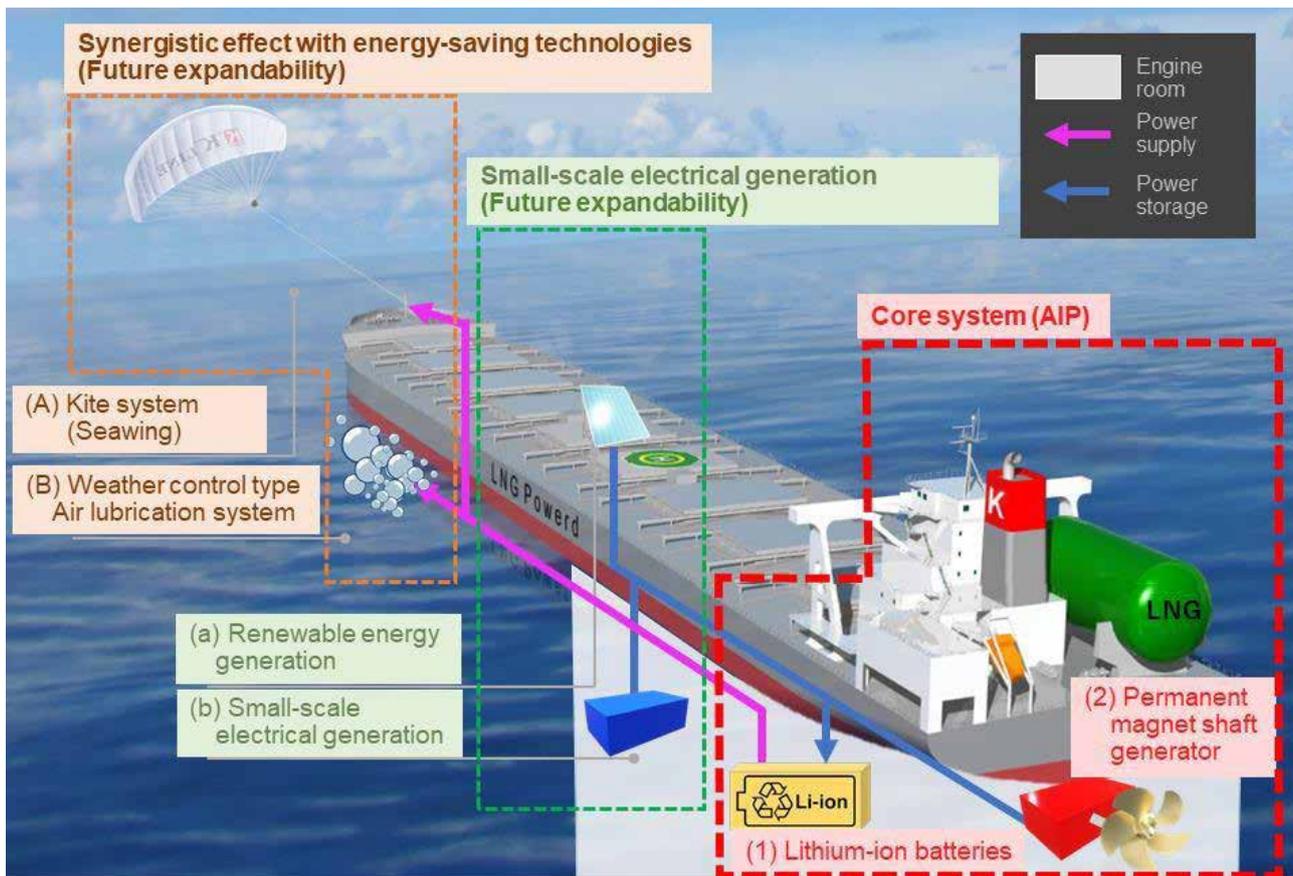
Other industry developments and new technologies:

The International Chamber of (ICS) has put forward a proposal to the IMO, calling for internationally Shipping accepted market-based measures to accelerate the uptake and deployment of zero-carbon fuels. A levy would be based on mandatory contributions by ships of 5,000GT and above trading globally for each tonne of CO2 emitted. Funds raised from the levy would go into an 'IMO Climate Fund' to accelerate the development of new fuels and infrastructure.

The new carbon levy proposal comes on top of an existing proposal by the industry to the IMO for a USD 2 per tonne bunker fuel levy to create a USD 5 billion research fund for shipping decarbonization. However, this remains under discussion.

The maritime finance and chartering sectors have also recognised their role in making shipping greener by creating the Poseidon Principles and Sea Cargo Charter – a framework for financial institutions and shipping interests (including charterers and cargo owners), to ensure that their interests are aligned with the targets set out in the IMO's greenhouse gas strategy.

Japanese shipping company Kawasaki Kisen Kaisha (K Line) developed two conceptual designs for LNG-fueled and battery-powered energy-saving bulk carriers and obtained approvals in principle (AIP) from the compatriot classification society ClassNK.



A future next-generation bulk carrier, Courtesy of K Line:

K Line developed a conceptual design for 200,000 tonnes class capesize bulk carrier in collaboration with Namura Shipbuilding and Taiyo Electric. The second design was jointly created by K Line, Shin Kurushima Sanoyas Shipbuilding, and Taiyo Electric for 90,000 tonnes class post-Panamax bulk carrier.

By selecting LNG as the primary fuel, an energy-saving vessel has been designed that helps reduce GHG emissions. The design was further enhanced by adopting permanent magnet (PM) shaft generator technology, along with lithium-ion batteries.

Moreover, by using batteries as part of the platform for power supply onboard, the aim is to further reduce emissions going forward by later adding green energy sources with energy-saving technology.

Using LNG as fuel allows for the reduction of GHG emissions by 25 to 30 per cent compared to the use of conventional heavy fuel oil. Besides this, AIP technical features and their benefits also include the adoption of shaft generator technology and battery technology adoption.

In addition to the equipment for greenhouse gas emissions reduction under the recent AIPs, the goal is to further reduce emissions going forward by installing various optional technologies.

In the new post-Panamax carrier design, emissions will be reduced by using large-capacity batteries instead of a dual-fuel generator during cargo loading and unloading.

In the new capesize carrier design, the battery capacity will be greater due to the amount of power required during cargo handling. Here emissions during cargo handling will also be reduced by enabling vessel connection to shore power.



Interest continues to grow in the potential of different forms of sails to provide wind propulsion assistance for large commercial vessels. In the latest development, the Singapore-based shipping subsidiary of Japanese trading house Marubeni announced plans to test a suction sail concept aboard one of its large bulkers. According to the companies, it will be the largest suction sail ever built and installed on a vessel and the first application of this form of the technology on a Panamax bulkier.



Leading Flettner rotor manufacturer Norsepower has installed five tilting rotor sails on the deck of a brand new very large ore carrier (VLOC), the Sea Zhoushan, which will be owned by Pan Ocean Ship Management and chartered to Brazilian mining giant Vale. It marks the first installation of Norsepower's rotor sails on a bulkier, one of the largest Flettner rotor installations ever implemented, and one of the first wind-assisted propulsion systems of any kind aboard a vessel of this gigantic size class.

The Norsepower system is fully automated, and it detects whenever the wind is strong enough to deliver fuel and emission savings. At that point, the rotor sails start automatically. The five-rotor project could reduce the 325,000 dwt ship's fuel costs and emissions by about eight percent, according to Norsepower - cutting the ship's annual CO2 emissions by about 3,400 tons.

PSL's Training Department

Maritime Resource Management (MRM):

MRM is a training program for ship's officers, engineers, pilots, and shore-based personnel. The aim is to increase knowledge about human capabilities and limitations and to reinforce positive attitudes towards safety and teamwork. MRM is generally accepted to be one of the most efficient means of improving crew cooperation and minimizing the risk of accidents caused by human errors as well as failures in effective teamwork and resource management. The MRM course is authorized and licensed by The Swedish Club, a member of the International Group of P&I Clubs, and one of the few insurers providing Hull as well as P&I insurance covers. Apart from the MRM courses, the PSL Training Center has classrooms, Video-Based Training (VBT) and Computer based training (CBT) for the ship staff. Courses include MRM, Bridge Team Management (BTM), Bridge Team Competency (BTC), Officer Of the Watch (OOW), Chief Mate Course (CMC), Command Course (Command), Shipboard Safety Course (SSC), Maritime Professional Briefing (MPB), Maritime English training (divided into 5 course levels) programs for safety and efficient ship operations of deck and engine departments. The Training Center also conducts lectures on VTS (Vessel Traffic Separation) & SMCP (Standard Marine Communication Phrases) within the BTM and MRM courses, with the aim of developing our officers' communication skills in communicating with a VTS officer using standard maritime phrases in various simulations. The courses are upgraded regularly and provide a solid foundation to the Company's training activities and enable our Officers and Engineers to keep abreast of the latest developments in ship operations.

To meet the needs of trained engineers to serve on vessels fitted with new generation Main Engines from MAN Diesel & Turbo and Wartsila, the PSL Training Center liaises very closely with the Technical Department and the engine manufacturers to continuously upgrade the training courses which were first introduced even before the vessels were delivered. Other training courses which the engineers go through before joining the ships are "Engine Room Management and Competency Enhancement" - "EMC" for Senior Engineers, "Engineer on Watch" - "EOW" for Junior Engineers, courses on "stern tube sealing systems" and "ships' cargo gears with special focus on hydraulics", and "Shipboard Safety." The PSL Training Center also augments classroom theoretical courses with practical training, wherever possible. Because the new vessels acquired are fitted with more fuel-efficient modern engines using advanced electronic controls and technology, the Company's senior engineers, Electrical Officers and shore-based Technical Superintendents are put through the engine-maker's specific training courses designed to better understand the operation and for effective troubleshooting. Junior engineers are in turn trained at the Company's Training Center and by trickle-down methods on board ships. New courses are also being introduced to prepare the ships' staff for the challenges expected in the coming years on account of the low Sulphur cap, carbon dioxide emissions and ballast water treatment regulations. To equip the officers with knowledge of new developments, the company has taken the step of organizing specialized courses conducted by experienced and proficient guest teachers.

The use of "Electronic Chart Display and Information System" (ECDIS) has become mandatory for new ships built from July 2013. All the vessels in the fleet are equipped with ECDIS with the onboard software updated to the latest version. Officers are required to complete specialized ECDIS I generic training as part of their competency certificates.

PSL is committed to ensure that navigating officers are fully conversant with ECDIS equipment prior joining the vessel. Officers are given generic ECDIS training at approved institutes. Realizing the fact that certification alone does not make an officer fully familiar and confident to use ECDIS, PSL Training Centre has equipped itself and developed ECDIS training/familiarization courses. After attending the approved ECDIS generic training course, officers are required to undergo further ECDIS familiarization course at our in-house facility.

The training department also keeps abreast of imparting awareness to Officers on the risks due to increased incidents of the liquefaction of cargoes, such as iron ore fines, coal, manganese ore fines, and nickel ore. More than a hundred seafarers have lost their lives over the past eight years on vessels which have capsized due to the liquefaction of such cargoes. The latest cargo entry in the list of solid bulk cargoes susceptible to liquefaction that can cause catastrophic results is “bauxite”. When subjected to sufficient dynamic loading, very wet fine-grained bauxites go through a process of slumping and dynamic separation, with the upward expulsion of water/slurry. This may result in free surface effect of liquid sloshing about which could significantly affect the vessel’s stability, leading to the risk of the ship capsizing. In response, the IMO’s Sub-Committee on Carriage of Cargoes and Containers issued new guidance on the carriage of bauxite, requesting adequate safety precautions to be taken when carrying this cargo.

During the year 2022 with the Covid-19 pandemic still spreading, we continued to train our officers online. A total of 1,021 sea going officers and crew members attended a total of 22 courses that were conducted during the year, which is a testament to the company’s commitment towards training our crew members and the high premium that we place on the same.

We provide below a summary of the courses conducted during the year and the number of crew members who were trained.

- Number of courses conducted at the Training facility in 2022: 4 Courses.

1) Bridge Team Competency I
2) Bridge Team Competency II
3) Bridge Team Management
4) ECDIS – Electronic Chart Display & Information System

- Number of courses conducted On-Line in 2022: 18 Courses

1) Maritime Resource Management	10) ME Advance
2) Maritime Professional Briefing	11) Basic English
3) Chief Mate Course	12) Elementary Maritime English
4) Command course	13) Intermediate English
5) EOW	14) Upper Intermediate English
6) OOW	15) Shipboard Safety for Rating
7) RT-Flex Basic	16) Maritime cyber-security awareness
8) RT-Flex Advance	17) ME-B
9) ME Basic	18) Vessel inspection

- Number of seafarers trained in 2022: 1,021 (Online)
- Total Man-days for training in 2022: 3,790 man-hours
- Additional course on Maritime Cyber Security Awareness for Seafarers was conducted online for the whole year in 2022, with total number of 249 seafarers trained on the topic of Maritime Cyber Security Awareness (Officers and Engineers: 209, Ratings: 40)
- Additional course on vessel inspections was launched and conducted online during 2022.
- Additional course on EEXI and CII commenced Jan 2022 and was conducted once a month throughout the year 2022, with a total of 131 seafarers trained on this topic (senior Officers and Engineers).
- During 2022 PSL acquired two secondhand ships installed with ME-B engine which was new to our fleet. Hence, a specialized training course on ME-B engine was launched and a total number of 29 marine engineers were trained on this new type of engine in our fleet.

The Scourge of Piracy:

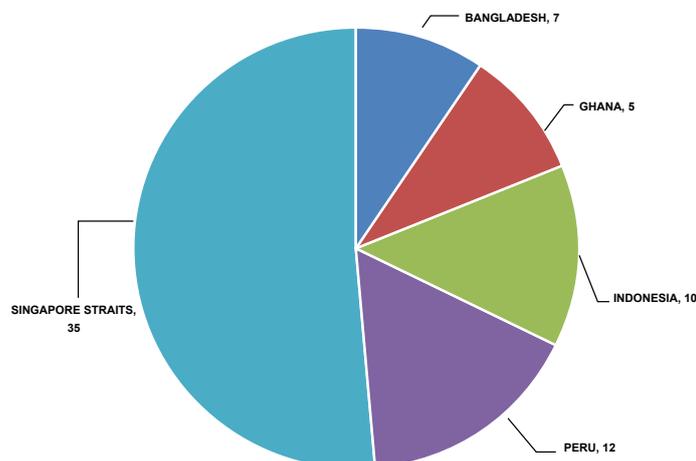
The Scourge of Piracy continues to be a serious concern to all the stake holders in the shipping industry, especially ship owners, the crewmembers on board, and their families. To help visualize, imagine being marooned on a small island from where there is no possibility of running away or escaping, no protection available from any kind of law enforcement agencies, absolutely nothing to defend oneself with and being attacked by a group of thugs, trained, and armed with military grade firearms!

The International Chamber of Commerce's International Maritime Bureau (IMB)'s annual piracy report for 2022, revealed that the maritime piracy and armed robbery attacks reached the lowest recorded level since 1994. In 2022, the IMB Piracy Reporting Centre received 115 incidents of piracy and armed robbery against ships as against 132 incidents reported in 2021. Incidents comprise 107 vessels boarded, 5 attempted attacks, one vessel fired upon, and two vessels hijacked. The chart below reveals the number of incidents region-wise. The overall reduction in reported incidents in 2022 is attributed to a decline of activity reported within the Gulf of Guinea region which has seen a decrease from 35 reported incidents in 2021 to 19 in 2022.



The following five locations contributed to 64% of the total of 115 incidents reported during the year.

CHART A: The following five location contributed to 64% of the total of 115 incidents reported in the period January-December 2022



Country-wise piracy incidents were reported as indicated in the table below: -

TABLE 1: Locations of ACTUAL and ATTEMPTED incidents, January – December 2018 – 2022

	Location	2018	2019	2020	2021	2022	
S E ASIA	Indonesia	36	25	26	9	10	
	Malacca Straits				1		
	Malaysia	11	11	4	2	4	
	Philippines	10	5	8	9	6	
	Singapore Straits	3	12	23	35	38	
	Thailand			1			
EAST ASIA	China	3	3				
	Vietnam	4	2	4	1	2	
INDIAN SUB	Bangladesh	12		4		7	
CONTINENT	India	6	4	6	2	3	
SOUTH AMERICA	Brazil	4	2	7	3	5	
	Colombia	1	3	1	6		
	Dominican Republic		1				
	Ecuador	4	3	5	4		
	Guyana	2				2	
	Haiti	3	2	5	4	1	
	Mexico		1	4	1	1	
	Panama		1				
	Peru	4	10	8	18	12	
	Venezuela	11	6			3	
	AFRICA	Algeria		1			
		Angola			6	4	5
		Benin	5	3	11	2	
		Cameroon	7	6		1	
Dem. Republic of Congo		1	1		1	1	
Dem. Rep. of Sao Tome & Principe			1	2	5		
Egypt						1	
Equatorial Guinea			2	3	2	2	
Gabon			1	2	4		
Ghana		10	3	9	5	7	
Guinea		3	2	5	3		
Gulf of Aden*		1			1		
Ivory Coast		1	1	3		2	
Kenya			1				
Liberia			2	2	1	1	
Morocco			2				
Mozambique		2	3	4	1		
Nigeria		48	35	35	6		
Sierra Leone			1			1	
Somalia*		2					
South Africa						1	
The Congo		6	3	3	1		
Togo		1	3	3			
REST WORLD OF WORLD		Iraq			1		
Total at year end		201	162	195	132	115	

All incidents with * above are attributed to Somali pirates.

All our vessels trading in the region observe all the BMP guidelines to deter piracy along with armed escort vessels arranged by the company as necessary and where possible.

PSL has taken an active role in reporting to the IFC (Information Fusion Centre), a center for monitoring the movement of all vessels in Southeast Asian waters. The IFC is based in the Singapore Naval Base and relays information to all regional Marine Coastguard units and has been effective in tackling piracy in the region.

Joint Venture:

International Seaports (Haldia) Pvt Ltd: This is now our only investment in Ports in the Haldia Dock Complex (about 22.4% of the total capital) under our port projects investments. This JV continues to operate very well, and we have to-date received total dividends of USD 5.99 million, which works out to about 294% of our original Investment made in years 2002-2003.

In Conclusion

Demand:

The environment for 2023 is going to be characterized by extreme volatility, as it was for 2021/2022, for the same reason that demand/supply came into perfect balance during 2021. Downside risks for 2023 will include, amongst others, geopolitical tension hot spots like Ukraine/Taiwan; China importing lower quantities of Coal and Iron Ore; real estate, steel production, cement/aluminum manufacturing slowing down and negatively impacting GDP rates in China; QE tapering in USA; interest rate hikes in USA and other major economies not slowing down or reversing; higher oil prices negatively impacting world economic growth rates; and protectionism increasing. But it is not all doom and gloom. The upside potential for 2023 consists of, amongst others, fiscal and monetary stimulus by some governments; China lowering interest rates, lowering reserve ratio requirements of their banks, lowering mortgage rates, and steel intensive stimulus of between \$2.5t to \$5.5t; China importing more high-grade iron ore as they combat pollution and increase steel production; China importing more coal to reduce pollution; slower ordering of new ships due to challenging regulations covering fuels of the future, lack of traditional finance sources for 'new fuel burning ships that would become stranded assets'; the US economy may outperform expectations and grow more strongly than forecasted; and weaker currencies in the Euro zone and Japan helping them to export their economies out of trouble. Most importantly, with geopolitical tensions around Ukraine, China rescinding its unofficial ban on coal imports from Australia, and the Chinese government adding as much stimulus as needed to keep their economy chugging along at a brisk pace, should all assist the demand side of the equation at a time when the supply side shows no signs of growing at anything but the slowest pace on record this century.

Supply:

Under the current conditions, approximately 8.07% (77.97 MDWT) of the existing world fleet would be over 20 years of age between 2023-2025 if no ships are recycled till the end of 2025. These ships would come under tremendous financial pressure due to the upcoming regulatory requirements. Depending on how challenging the freight markets turn out to be and the increasing regulatory pressure on older ships in the period 2023 to 2025 many of these ships would be forced to take the decision to head to the recycling yards in Asia.

With respect to the 7.16% of new ships (69.14 MDWT) scheduled to be delivered to the end of 2025, the lack of funding for fuel burning ships coupled with slippage in deliveries at shipyards would help slow down their arrivals into the freight market.

Financing:

The year 2022 started off with a strong global economic outlook, however, the positive sentiment was disrupted by the outbreak of the Russia-Ukraine war, the deteriorating Chinese property sector and high inflation. High inflation in major economies drove Central banks led by the US Fed to sharply increase interest rates throughout the year. This cramped economic activity in much of the western world as corporate loans became much more expensive, eating into demand.

Strong performance in most shipping segments enabled shipowners to generate exceptionally strong cash flows. Shareholders and banks were the primary beneficiaries, as companies paid dividends, repurchased shares, and repaid loans. This reduced the demand for Shipping Finance to levels not seen in over a decade. Furthermore, the high prices of both second-hand and new ships, combined with uncertainty surrounding climate regulations and the choice of future fuels, deterred spending on new vessels obviating the need for financing.

As most European banks exited the shipping finance sector over the past decade, it was Chinese leasing companies that filled the vacuum, ballooning their ship finance portfolios and topping many of the finance league tables. That trend came to a halt in 2022 as the heads of several Chinese leasing companies were thrown into jail after facing corruption charges. The absence of Chinese leasing companies is not being felt by the larger ship owners as their strong balance sheets are enabling them to attract the capital necessary to pursue their objectives. That said, raising bank finance continues to be challenging for smaller private ship owners, many of whom are only able to borrow money in the high single digits or low double digits.

Against the backdrop of COP 27 which took place in November 2022, sustainability and climate change continued to be a focus for the global maritime finance community. Banks that are signatories to the Poseidon Principles reaffirmed their commitment to measuring their portfolios against a net-zero goal in 2050 that is aligned with aims to cap global warming at just 1.5C. Further, in 2022, they have decided to track all forms of greenhouse gas, rather than just CO2, and will look at their portfolios on a well-to-wake basis, meaning emissions up and down the marine fuel value chain will be factored in.

ESG (Environmental, Social, and Governance) and sustainability are becoming increasingly important in the financial industry, with many investors placing a priority on transactions that have a sustainability component. This trend is also evident in the shipping industry, where a significant percentage of ships ordered in 2022 are dual fuel, allowing them to reduce emissions when alternative fuels become available in the future.

In 2022, we prepaid USD 24m of loans from BNP Paribas and signed a USD 17m loan with Bangkok Bank, releasing the mortgages of two of our modern Ultramaxs in the process. A further six vessels were released after we fully repaid a facility from Krungthai Bank.

According to Clarksons, the Shipping Industry (excluding offshore) as a whole, raised USD 16.2 Billion from capital markets in 2022 compared to USD 31.7 Billion in 2021. USD 13.3 Billion came in from Bonds and USD 1.7 Billion from Public Equity. USD 1.2 Billion of public equity was raised through primary offerings (IPOs), up from the USD 768 Million figure raised through IPOs in 2022. Boosted by European demand for Natural Gas, the LNG floating regasification terminal Company Excelerate Energy had the largest Shipping IPO in 2022 raising USD 384 Million through a listing on the NYSE while the second largest IPO was that of the Chinese coastal Shipping Company Xingtong Shipping, which raised USD 169.7 Million on the Shanghai Stock Exchange. Shipping industry bond issuances were dominated by the cruise sector, while issuances by dry-bulk companies comprised less than 1% of the total.

Concluding Remark:

Considering all the above, we are taking advantage of the opportunities that are present in the market. We hope to deliver to all our stakeholders the promise of this potential. This will in no small measure be due to the very dedicated and hardworking professionals that make up the office, as well as the floating staff at PSL.

**For and on behalf of the Board of Directors of
Precious Shipping Public Company Limited**



Chaipatr Srivisarvacha

Chairman of the Board of Directors



Khalid Moinuddin Hashim

Managing Director

10 February 2023



Part 1

CORPORATE STRUCTURE & BUSINESS OPERATIONS





BUSINESS OVERVIEW

Precious Shipping Public Company Limited (PSL or the Company), established in 1989 and listed on the Stock Exchange of Thailand in 1993, owns and operates dry bulk ships on a tramp shipping basis. The corporate structure of PSL, similar to other global shipping companies, comprises separate subsidiaries owning each vessel (sometimes 2 or 3 vessels).

During the year 2022, the Group entered into two Memorandum of Agreements (MOA) to acquire two 36,000 DWT secondhand Handysize ships. The Group took delivery of two ships on 13 June 2022 and 25 July 2022, respectively.

As of 31 December 2022, PSL operates 38 dry bulk ships including 4 cement carriers (the “Fleet”), amounting to 1,657,579 DWT in aggregate. The Fleet comprises 22 ships that are registered under the Thai flag and 16 ships that are registered under the Singapore flag. 8 ships are in the Ultramax sector, 9 ships are in the Supramax sector and the balance 21 ships (including 4 cement carriers) are in the Handy Size sector of the dry bulk market.

PSL is one of the world’s largest pure dry cargo ship-owning companies operating in the Geared (10,000 to 69,000 DWT) sector of the tramp freight market. The Geared sector consists of 2 sub-sectors which are 1) Handy Size sector, ships with 10,000 - 39,999 DWT, and 2) Supramax / Ultramax sector, ships with 40,000 - 69,999 DWT. Historically, the Company operated mainly in the Handy Size sector. However, the Company’s strategy has been to expand its fleet by acquiring larger, younger, modern and fuel-efficient vessels, as explained hereunder in “Nature of Business and Industry” of this Annual Report.

PSL’s Fleet is technically managed by Great Circle Shipping Agency Ltd, Bangkok, a wholly-owned subsidiary of PSL that is ISO 9001 and ISO 14001 certified, which makes it one of the very few dry bulk ship management Companies which is compliant with an Environment Management System certification.

- **Vision & Mission Statement:**

To be the most distinguished Shipping Company in the world, providing an exemplary level of services and solutions to facilitate global trade

- **Core Values:**

Integrity, Sustainability, Tradition and Innovation

- **Ongoing Commitments:**

- >> **Focus on people, operations, and technology**

PSL recognizes the importance of human capital in the growth and success of its business. Therefore, we strive to enhance the competence and skills of our employees by conducting a range of in-house training and development programs for employees across the organization.

PSL is committed to continuous advancement and automation of its operations to ensure the highest level of operational efficiency. Further, we are committed to implementing latest technologies to improve operational efficiencies and reduce our environmental impact.

- >> **Concern for society**

Community development is in our DNA. Over the years, we have made significant donations to community schools as well as provided scholarships to deserving students at the Merchant Marine Training Centre and various such activities since 1995.

>> Concern for the environment

We take our obligation to reduce the environmental impact of our business very seriously. We have measurably reduced emissions by replacing our fleet of older vessels with modern fuel-efficient vessels. In addition, we have undertaken a number of fuel-saving measures such as installing mewis ducts on the propeller of ships, regular cleaning of the external underwater hull and propeller so that frictional losses are kept to a minimum; usage of efficient hull coatings (anti-fouling paints), avoiding wastage of electric power on board and implementation of active weather routing on voyages to increase efficiency. We are committed to burning only low sulphur fuel while avoiding equipment such as scrubbers that cause acidification of the ocean.

PSL's Changes and Important Developments during the past 3 years (between 2020 and 2022)

2020

• Amendment to the Company's registered address

On 30 January 2020, the Company notified the SET that on 30th January 2020, the Company registered the amendment of the Company's registered office address with the Ministry of Commerce in its official documents as follows:

Old registered office address: No. 8 Cathay House, 7th Floor, North Sathorn Road, Silom, Bangrak, Bangkok 10500.

New registered office address as amended: No. 8, North Sathorn Road, G, 7th, 8th and 9th floors, Silom, Bangrak, Bangkok 10500.

• Amendments to the Secured Loan Agreement from BNP Paribas

On 16 April 2020, the Company notified the SET that on 15 April 2020, the Company along with its Singaporean subsidiaries, Precious Skies Pte. Ltd. and Precious Tides Pte. Ltd., as Joint Borrowers, executed a first amendment and restatement deed ("Deed") in relation to the Loan Agreement of up to USD 42 million (disclosure made to the SET on 30 December 2014) which originally was for financing two 64,000 DWT Ultramax Dry Bulk Vessels (i.e. M.V. Savitree Naree and M.V. Savita Naree). The aforesaid Deed is mainly to upsize the original Loan by an additional loan amount of up to USD 10.6 million ("Upsize Loan").

• Resolutions of the Debenture Holders' Meeting No. 1/2020 of PSL206A

On 19 May 2020, the Company notified the SET of the resolutions of the Debenture Holders' Meeting No. 1/2020 of "Debentures of Precious Shipping Public Company Limited No. 2/2559 Due B.E. 2563" ("PSL206A") which was held on 19 May 2020 at 2.00 p.m. at the office of Christiani & Nielsen (Thai) Public Company Limited located at 727 Lasalle Road, South Bangna Sub-District, Bangna District, Bangkok 10260 as summarized below:

1. Approved the extension of PSL206A's maturity date by 1 year and 6 months and revision of the redemption date from 9 June 2020 to 9 December 2021 and approved the amendment of Terms and Conditions, debentures' certificate and name of the debentures to be in line with the amendment of the maturity date.
2. Approved the amendment of the interest rate of the debenture to be 6.5 percent per annum by calculating the new rate from (and including) 9 June 2020 in accordance with the Terms and Conditions, including the amendment of Clause 2.1 and related content of the Terms and Conditions and debentures' certificate to be in line with the amendment of the debentures' interest rate.

3. Approved the amendment of Clause 11 of the Terms and Conditions regarding the redemption and repurchase of debentures by adding Clause 11.5 Redemption of Debentures before the due date by the debentures' issuer and approved the amendment of the name of debentures and debentures' certificate to "Debentures of Precious Shipping Public Company Limited no. 2/2559 Due B.E.2564 with the Issuer's Right to Early Redemption" to be in line with the above matter.
 4. Approved the payment of the principal at 20 percent of the total outstanding amount of debentures with interest on 9 June 2020.
- **New credit facility of USD 10.10 million from Export-Import Bank of Thailand**

On 28 May 2020, the Company and certain subsidiaries of the Company executed a USD 10,100,000 term loan facility ("Loan Facility") with Export-Import Bank of Thailand. The purpose of the Loan Facility is for partial redemption of the Debentures of Precious Shipping Public Company Limited No. 2/2016 due 2021 as extended) (PSL206A).

- **Appointment of two new Directors**

The Annual General Meeting of Shareholders of the Company No. 1/2020 held on Wednesday, 8 July 2020 at 10:30 hours by electronic means ("E-AGM") which was broadcast from the Company's office located at No. 8 North Sathorn Road, Silom, Bangrak, Bangkok 10500 approved the appointment of Ms. Pensri Suteerasarn as a new Independent Director and Ms. Sirasa Supawasin as another Director.

- **Appointment of the new Chairman of the Board of Directors and the new Chairperson of the Nomination Committee**

With reference to the retirement of Mr. Thira Wipuchanin at the Annual General Meeting of Shareholders of the Company No. 1/2020, the Board approved the following appointments by the resolutions of the Meeting of the Board of Directors of the Company No. 6/2020 held on Wednesday, 8 July 2020 at 12.00 hours at the Registered Office of the Company.

- Mr. Chaipatr Srivisanvacha, Independent Director, as the new Chairman of the Board of Directors of the Company with effect from 8 July 2020.
 - Ms. Pensri Suteerasarn, Independent Director, as the new Chairperson of the Nomination Committee for a 2-year term with effect from 8 July 2020 in replacement of Mr. Chaipatr Srivisanvacha who is now appointed as the Chairman of the Board of Directors of the Company.
- **Execution of the Settlement Agreement between the Company and Sainty Marine Corporation Ltd. (currently known as Jiangsu Guoxin Corporation Ltd.) ("Sainty")**

On 10 July 2020, the Company and Sainty executed an amicable settlement agreement in order to fully and finally settle any and all of their disputes and claims in relation to the eleven shipbuilding contracts for eleven 64,000 DWT bulk carrier vessels bearing hull nos. SAM13009B (M.V. Issara Naree), SAM13010B (M.V. Inthira Naree), SAM14017B, SAM14018B, SAM14019B, SAM14020B, SAM14021B, SAM14022B, SAM14023B, SAM14027B, SAM14028B which were under the arbitration and court proceedings in London.

- **Resolutions of the Debenture Holders' Meeting No. 1/2020 of PSL211A**

On 30 July 2020, the Company notified the SET of the resolutions of the Debenture Holders' Meeting No. 1/2020 of "Debentures of Precious Shipping Public Company Limited No. 1/2559 Due B.E. 2564" ("PSL211A") which was held on 30 July 2020 at 10.30 a.m. at Bussarakam ballroom and Pailin room, the Avani Atrium Hotel, No. 1880 New Petchburi Road, Bangkapi, Huay Kwang, Bangkok, Thailand 10310 as summarized below:

- Approved the extension of PSL211A's maturity date by 1 year and 6 months and revision of the redemption date from 22 January 2021 to 22 July 2022 and approved the amendment of

Terms and Conditions, debentures' certificate and name of the debentures to be in line with the amendment of the maturity date.

- Approved the amendment of the interest rate of the debenture to be 6.75 percent per annum by calculating the new rate from (and including) 22 January 2021 in accordance with the Terms and Conditions, including the amendment of Clause 2.1 and related content of the Terms and Conditions and debentures' certificate to be in line with the amendment of the debentures' interest rate.
 - Approved the amendment of Clause 11 of the Terms and Conditions regarding the redemption and repurchase of debentures by adding Clause 11.5 Redemption of Debentures before the due date by the debentures' issuer and approved the amendment of the name of debentures and debentures' certificate to "Debentures of Precious Shipping Public Company Limited no. 1/2559 Due B.E.2565 with the Issuer's Right to Early Redemption" to be in line with the above matter.
 - Approved the payment of the principal at 20 percent of the total outstanding amount of debentures (either in single or multiple payments) on or before 22 January 2021 and such payment is not required to be made on any interest payment date.
- **Reporting on 2nd partial early redemption of the PSL206A Debentures**

On 18 September 2020, the Company notified the SET that the Company had exercised the right to redeem 40% of the outstanding principal of the PSL206A Debentures, equivalent to THB 627.20 million. The payment of this partial early redemption was made along with the accrued interest to the Debenture holders on 22 October 2020.

- **Reporting on 1st partial early redemption of the PSL211A Debentures**

On 21 September 2020, the Company notified the SET that the Company had exercised the right to redeem 10% of the total principal amount of the PSL211A Debentures, equivalent to THB 359 million. The payment of this partial early redemption was made along with the accrued interest to the Debenture holders on 22 October 2020.

- **Reporting on 2nd partial early redemption of the PSL211A Debentures**

On 14 October 2020, the Company notified the SET that the Company had exercised the right to early redeem another 10% of the total principal amount of the Debentures (THB 3,590 million), equivalent to THB 359 million. The payment of this 2nd partial early redemption was made along with the accrued interest to the Debenture holders on 16 November 2020. After this 2nd partial early redemption, the outstanding principal of the PSL211A Debentures was THB 2,872 million.

- **Receipt of lump sum charter hire from Ultratech Cement Ltd., India**

With reference to the 5 long term charters made between 5 of the Company's subsidiaries in Singapore, viz. (i) ABC ONE Pte. Ltd., (ii) ABC TWO Pte. Ltd., (iii) ABC THREE Pte. Ltd., (iv) ABC FOUR Pte. Ltd. and (v) Precious Comforts Pte. Ltd., as the Owners, and Ultratech Cement Ltd., India, as the Charterers, in respect of 4 cement carriers (M.V. Danaya Naree, M.V. Apinya Naree, M.V. Boonya Naree and M.V. Chanya Naree) and 1 Supramax dry bulk vessel (M.V. Apiradee Naree), respectively (collectively as "Vessels"), on 16 October 2020, the Company notified the SET that around the end of August 2020, each of the Owners executed a supplemental agreement with the Charterers, to amend the payment terms under each of the charters, whereby the Charterers agreed to pay the daily charter hire for a period of one year (1st October 2020 – 30th September 2021) in advance on or before 1st October 2020 in exchange for a discount from the Owners of 5%. On 1st October 2020, the Owners received the aggregate net lump sum charter hire for all 5 Vessels in the amount of USD 25.23 million from the Charterers.

- **Change in Management and Executive Board**

On 16 November 2020, the Company notified the SET that Mr. Kodakaraveetil Murali Menon, who is Director (Technical) and Executive Director on the Executive Board of Directors ("Executive Board") of

the Company and had been with the Company for over 32 years planned to retire from the Company in all capacities at the end of 2020. As such, the Board of Directors of the Company had appointed Mr. Prashant Mahalingam who then was Vice President (Technical) and has been employed by the Company since 1993, as Mr. Menon's replacement as Director (Technical) and as Executive Director on the Executive Board with effect from 1st January 2021. Following the aforementioned appointment with effect from 1st January 2021, the Executive Board comprises of Mr. Khalid Hashim, Mr. Gautam Khurana, and Mr. Prashant Mahalingam.

- **New Loan Agreement of USD 6 million with SinoPac Capital International (HK) Limited, Hong Kong**

On 18 November 2020, the Company notified the Stock Exchange of Thailand that on 17 November 2020, the Company's Singaporean subsidiary, Precious Visions Pte. Ltd., (the "Subsidiary") as the Borrower and the Company as the Guarantor executed a USD 6 million Senior Secured Amortizing Term Loan Agreement with SinoPac Capital International (HK) Limited to refinance the Supramax Dry Bulk Vessel (M.V. Chayanee Naree).

- **Reporting on 3rd partial early redemption of the PSL206A Debentures**

On 27 November 2020, the Company notified the SET that the Company exercised the right to early redeem another 30% of the outstanding principal amount of the PSL206A Debentures (THB 940.80 million), equivalent to THB 282.24 million. The payment of this 3rd partial early redemption was made along with the accrued interest to the Debenture holders on 5 January 2021. After this 3rd partial early redemption, the outstanding principal of the PSL206A Debentures was THB 658.56 million.

2021

- **Reporting on 4th partial early redemption of the PSL206A Debentures**

On 10 February 2021, the Company notified the SET that the Company exercised the right to early redeem another 50% of the outstanding principal amount of the PSL206A Debentures (THB 658.56 million), equivalent to THB 329.28 million. The payment of this 4th partial early redemption was made along with the accrued interest to the Debenture holders on 12 March 2021. After this 4th partial early redemption, the outstanding principal of the PSL206A Debentures was THB 329.28 million

- **Reporting on 5th early redemption of the outstanding PSL206A Debentures (Final Redemption)**

On 24 March 2021, the Company notified the SET that the Company exercised its right to early redeem the remaining outstanding principal amount of the PSL206A Debentures, equivalent to THB 329.28 million. The payment of this 5th early redemption (final redemption) was made along with the accrued interest to the Debenture holders on 23 April 2021.

- **Reporting on 3rd partial early redemption of the PSL211A Debentures**

On 30 March 2021, the Company notified the SET that the Company exercised its right to early redeem another 10% of the outstanding principal amount of the PSL211A Debentures (THB 2,872 million), equivalent to THB 287.20 million. The payment of this 3rd partial early redemption was made along with the accrued interest to the Debenture holders on 30 April 2021. After this 3rd partial early redemption, the outstanding principal of the PSL211A Debentures was THB 2,584.80 million

- **New credit facility of USD 10.10 million from Export-Import Bank of Thailand**

On 5 May 2021, the Company notified the SET that on 30 April 2021, the Company and certain subsidiaries of the Company executed a USD 10,100,000 term loan facility agreement with Export-Import Bank of Thailand. The purpose of the Loan Facility was for refinancing the loan provided by the Export-Import Bank of Thailand under the facility agreement dated 28 May 2020, as disclosed to the SET on 29 May 2020.

- **New Loan Agreement of USD 38.35 million with Crédit Agricole Corporate and Investment Bank**

On 21 June 2021, the Company notified the SET that certain of the Company's Singapore subsidiaries, namely Precious Glories Pte. Ltd., Precious Wisdom Pte. Ltd., Precious Bridges Pte. Ltd., Precious Sparks Pte. Ltd., Precious Fragrance Pte. Ltd. and Precious Forests Pte. Ltd. (collectively the "Subsidiaries") as the Borrowers, and the Company and Precious Shipping (Singapore) Pte. Ltd. ("PSSP"), the Company's Singapore subsidiary which is the shareholder of the Subsidiaries, as the Guarantors executed a USD 38,350,000 Senior Secured Amortizing Term Loan Agreement with Crédit Agricole Corporate and Investment Bank to reimburse PSSP for the intra-group loans owed by the Subsidiaries in relation to the 6 vessels owned by them, i.e., M.V. Vipha Naree, M.V. Viyada Naree, M.V. Daranee Naree, M.V. Baranee Naree, M.V. Benjamas Naree and M.V. Ananya Naree, respectively.

- **Reporting on 4th partial early redemption of the PSL211A Debentures**

On 21 June 2021, the Company notified the SET that the Company had exercised its right to early redeem another 45% of the outstanding principal amount of the PSL211A Debentures (THB 2,584.80 million), equivalent to THB 1,163.16 million. The payment of this 4th partial early redemption was made along with the accrued interest to the Debenture holders on 22 July 2021. After this 4th partial early redemption, the outstanding principal of the PSL211A Debentures was THB 1,421.64 million

- **A Sustainability-Linked Loan of USD 85 million from International Finance Corporation, Export-Import Bank of Thailand and TMBThanachart Bank Public Company Limited**

On 29 June 2021, the Company notified the SET that certain of the Company's Singapore subsidiaries, namely ABC ONE Pte. Ltd., ABC TWO Pte. Ltd., ABC THREE Pte. Ltd., ABC FOUR Pte. Ltd. and Precious Comforts Pte. Ltd. (collectively the "Subsidiaries") as the Borrowers entered into the relevant agreements in relation to a USD 85,000,000 Senior Secured Sustainability-Linked Amortizing Term Loan Facility ("Loan Facility") with International Finance Corporation, Export-Import Bank of Thailand and TMBThanachart Bank Public Company Limited, mainly to refinance 4 Cement Carriers, i.e., M.V. Apinya Naree, M.V. Boonya Naree, M.V. Chanya Naree and M.V. Danaya Naree, 1 Supramax Dry Bulk Vessel (M.V. Apiradee Naree) and to redeem the remaining outstanding principal of the Company's PSL211A Debentures

- **Interim Dividend No. 1/2021**

On 16 August 2021, the Board passed a resolution approving an Interim Dividend No. 1 for the year 2021 based on the retained earnings as of 30 June 2021 of Baht 0.50 per share. The Record Date for the right to receive the dividend was 30 August 2021. The payment was made on 10 September 2021.

- **Reporting on 5th early redemption of the outstanding PSL211A Debentures (Final Redemption)**

On 27 August 2021, the Company notified the SET that the Company had exercised its right to redeem the remaining outstanding principal amount of the PSL211A Debentures, equivalent to THB 1,421.64 million. The payment of this 5th early redemption (final redemption) was made along with the accrued interest to the Debenture holders on 27 September 2021.

- **Chayanee Naree incident**

On 15 October 2021, 19 October 2021, 1 November 2021 and 13 December 2021, the Company notified the SET of the update on the news of the arrest of 22 Thai crew members on board the Singapore-flagged vessel of the Company's Singapore subsidiary, Precious Visions Pte. Limited, i.e., M.V. Chayanee Naree (the "Vessel") in Nigeria for alleged drug trafficking.

- **A long-term charter of M.V. Vipha Naree**

On 25 October 2021, the Company notified the SET that a Handysize vessel in its fleet, M.V. Vipha Naree, was fixed on a 11-13 month charter to Navision Chartering A/S commencing 22 October 2021

at a gross variable rate equivalent to 102% of the Baltic Exchange Handysize Index (BHSI) weighted time charter average value over the previous 15 days. This variable rate currently stands at about USD 37,000 per day.

- **Interim Dividend No. 2/2021**

On 15 November 2021, the Board passed a resolution approving an Interim Dividend No. 2 for the year 2021 based on the retained earnings as of 30 September 2021 of Baht 0.50 per share. The Record Date for the right to receive the dividend was 29 November 2021. The payment was made on 13 December 2021.

- **A connected transaction**

On 15 November 2021, the Company notified the SET that the Meeting of the Board of Directors of the Company No. 5/2021 held on Monday, 15 November 2021 approved a connected transaction, being the purchase of one condominium unit at Prestige Towers Condominiums by Great Circle Shipping Agency Limited, a wholly owned Thai subsidiary of the Company, from Mr. Khalid Moinuddin Hashim, Managing Director and Director of the Company, and Director of the Subsidiary and Mr. Munir Moinuddin Hashim, brother of Mr. Hashim.

- **A long-term charter of M.V. Latika Naree**

On 22 November 2021, the Company notified the SET that a Handysize vessel in its fleet, M.V. Latika Naree, was fixed on a 10-12 month charter to Navision Chartering A/S commencing 20 November 2021 at USD 21,000 per day for the first 50 days, thereafter, at a gross variable rate equivalent to 95% of the Baltic Exchange Handysize Index (BHSI) time charter average value.

2022

- **A long-term charter of M.V. Sarika Naree**

On 10 January 2022, the Company notified the SET that an Ultramax vessel in its fleet, M.V. Sarika Naree, was fixed on a 11-13 month charter to Umang Shipping Services Ltd. commencing 10 January 2022 at a gross variable rate equivalent to 115% of the Baltic Exchange Supramax Index (BSI) weighted time charter average value over the previous 15 days.

- **A long-term charter of M.V. Savita Naree**

On 31 January 2022, the Company notified the SET that an Ultramax vessel in its fleet, M.V. Savita Naree, was fixed on a 11-13 month charter to Umang Shipping Services Ltd. commencing 28 January 2022 at a gross variable rate equivalent to 115% of the Baltic Exchange Supramax Index (BSI) weighted time charter average value over the previous 15 days.

- **Interim Dividend No. 3/2021**

On 14 February 2022, the Board passed a resolution approving an Interim Dividend No. 3 for the year 2021 based on the retained earnings as of 31 December 2021 of Baht 0.50 per share. The Record Date for the right to receive the dividend was 1 March 2022. The payment was made on 11 March 2022.

- **A long-term charter of M.V. Savitree Naree**

On 17 February 2022, the Company notified the SET that an Ultramax vessel in its fleet, M.V. Savitree Naree, was fixed on a 11-13 month charter to Umang Shipping Services Ltd. commencing 15 February 2022 at a gross variable rate equivalent to 115% of the Baltic Exchange Supramax Index (BSI) weighted time charter average value over the previous 15 days.

- **A long-term charter of M.V. Sarita Naree**

On 4 March 2022, the Company notified the SET that an Ultramax vessel in its fleet, M.V. Sarita Naree, was fixed on a 12-14 month charter to Umang Shipping Services Ltd. commencing 3 March 2022 at a gross variable rate equivalent to 115% of the Baltic Exchange Supramax Index (BSI) weighted time charter average value over the previous 15 days.

- **Final Dividend for the year 2021**

At the Annual General Meeting of Shareholders of the Company No. 1/2022 held on Monday, 4 April 2022, the Shareholders passed a resolution approving a final dividend for the year 2021 based on the retained earnings as of 31 December 2021 of Baht 0.25 per share. The Record Date for the right to receive the dividend was 12 April 2022. The payment was made on 28 April 2022.

- **Change in the Board of Directors**

At the Annual General Meeting of Shareholders of the Company No. 1/2022 held on Monday, 4 April 2022, Ms. Lyn Yen Kok who retired by rotation, excused herself from being available for re-election.

- **Appointment of certain sub-committee members**

The following resolutions were passed by the Board at the Meeting of the Board of Directors of the Company No. 3/2022 held on Wednesday, 4 April 2022.

- The redesignation of the Risk Management Committee as the Sustainability and Risk Management Committee.
- Ms. Pensri Suteerasarn, Independent Director, as a member of the Audit and Corporate Governance Committee with effect from 4 April 2022.
- Ms. Pensri Suteerasarn, Independent Director, as a member of the Sustainability and Risk Management Committee with effect from 4 April 2022.
- Professor Dr. Pavida Pananond, Independent Director, as a member of the Nomination Committee with effect from 4 April 2022.
- The Amendment to the tenures of all sub-committee members (including Audit and Corporate Governance Committee members) from 2 years to a tenure that is coterminous with each member's tenure on the Board.

- **A long-term charter of M.V. Sarocha Naree**

On 20 April 2022, the Company notified the SET that an Ultramax vessel in its fleet, M.V. Sarocha Naree, was fixed on a 9-11 month charter to Pan Ocean Co., Ltd., South Korea, commencing 7 March 2022 at a gross fixed rate of USD 35,500 per day.

- **Interim Dividend No. 1/2022**

On 11 May 2022, the Board passed a resolution approving an Interim Dividend No. 1 for the year 2022 based on the retained earnings as of 31 March 2022 of Baht 0.50 per share. The Record Date for the right to receive the dividend was 25 May 2022. The payment was made on 8 June 2022.

- **Acquisition of two secondhand Vessels**

On 31 May 2022, the Company notified the SET about the acquisition of two secondhand Handysize Vessels, viz. M.V. NORDIC SEOUL and M.V. NORDIC BUSAN by the Company's Subsidiaries, Precious Stones Shipping Limited for M.V. NORDIC SEOUL and Precious Jasmines Limited for M.V. NORDIC BUSAN. The purchase price of M.V. NORDIC SEOUL was USD 25 million, and the purchase price of M.V. NORDIC BUSAN was USD 26 million, which was the market price.

- **Delivery of one secondhand 35,882 DWT Bulk Carrier**

On 13 June 2022, the Company's subsidiary took delivery of M.V. Phatra Naree (formerly known as M.V. Nordic Seoul. The vessel was registered in Thailand.

- **New Loan Agreement of USD 17.10 million with Bangkok Bank Public Company Limited, Singapore Branch**

On 21 June 2022, the Company notified the SET that on 20 June 2022, the Company's Singapore subsidiary, Precious Grace Pte. Ltd., (the "Subsidiary") as the Borrower and the Company as the Guarantor have executed a USD 17,100,000 term loan facility ("Loan Facility") with Bangkok Bank Public Company Limited, Singapore Branch. The purpose of the Loan Facility was to reimburse or refinance any shareholder's loan which was used to support the Borrower's operations and to provide intercompany loans to support the Guarantor's vessel acquisitions.

- **Delivery of one secondhand 35,882 DWT Bulk Carrier**

On 25 July 2022, the Company's subsidiary took delivery of M.V. Pavida Naree (formerly known as M.V. Nordic Busan. The vessel was registered in Thailand.

- **Interim Dividend No. 2/2022**

On 15 August 2022, the Board passed a resolution approving an Interim Dividend No. 2 for the year 2022 based on the retained earnings as of 30 June 2022 of Baht 0.50 per share. The Record Date for the right to receive the dividend was 29 August 2022. The payment was made on 12 September 2022.

- **Dissolution of the Company's subsidiaries**

On 5 September 2022, the Company notified the SET of the dissolution of 6 wholly-owned Thai subsidiaries of the Company ("Subsidiaries") viz, Precious Capitals Limited, Precious Diamonds Limited, Precious Garnets Limited, Precious Minerals Limited, Precious Moons Limited and Precious Resorts Limited. The reason for dissolution was due to the absence of any operations since the Subsidiaries did not own any vessels.

- **Three long-term charters**

On 3 October 2022, the Company notified the SET of the following recent long-term charters:

- A Supramax vessel in its fleet, M.V. Baranee Naree, was fixed on a 12-15 month charter to Intergis Co., Ltd., South Korea, commencing 1 October 2022 at a gross variable rate equivalent to 98% of the Baltic Exchange Supramax Index (BSI) weighted time charter average value over the previous 15 days.
- An Ultramax vessel in its fleet, M.V. Issara Naree, was fixed on a 12-15 month charter to Intergis Co., Ltd., South Korea, commencing 2 October 2022 at a gross variable rate equivalent to 115% of the Baltic Exchange Supramax Index (BSI) weighted time charter average value over the previous 15 days.
- A Handysize vessel in its fleet, M.V. Vipha Naree, was fixed on a 11.5-14.5 month charter to Navision Chartering A/S, Denmark, commencing 1 November 2022 at a gross variable rate equivalent to 102% of the Baltic Exchange Handysize Index (BHSI) weighted time charter average value over the previous 15 days.

- **A long-term charter of M.V. Wariya Naree**

On 5 October 2022, the Company notified the SET that an Supramax vessel in its fleet, M.V. Wariya Naree, was fixed on a 11-13 month charter to Stone Shipping Ltd, Bermuda, commencing 5 October 2022 at a gross variable rate equivalent to 86% of the Baltic Exchange Supramax Index (BSI) weighted time charter average value over the previous 15 days.

- **A long-term charter of M.V. Sunisa Naree**

On 10 October 2022, the Company notified the SET that an Ultramax vessel in its fleet, M.V. Sunisa Naree, was fixed on a 12-15 month charter to Intergis Co., Ltd., South Korea, commencing 10 October 2022 at a gross variable rate equivalent to 115% of the Baltic Exchange Supramax Index (BSI) weighted time charter average value over the previous 15 days.

- **A long-term charter of M.V. Chayanee Naree**

On 25 October 2022, the Company notified the SET that an Ultramax vessel in its fleet, M.V. Chayanee Naree, was fixed on a 12-15 month charter to Intergis Co., Ltd., South Korea, commencing 22 October 2022 at a gross variable rate equivalent to 98% of the Baltic Exchange Supramax Index (BSI) weighted time charter average value over the previous 15 days.

- **Interim Dividend No. 3/2022**

On 11 November 2022, the Board passed a resolution approving an Interim Dividend No. 3 for the year 2022 based on the retained earnings as of 30 September 2022 of Baht 0.50 per share. The Record Date for the right to receive the dividend was 25 November 2022. The payment was made on 9 December 2022.

- **Change in Management and Executive Board**

On 11 November 2022, the Company notified the SET that Mr. Prashant Mahalingam, who was Director (Technical) and Executive Director on the Executive Board of Directors (“Executive Board”) of the Company and had been with the Company since 1993, planned to retire from the Company in all capacities at the end of 2022. As such, the Board of Directors of the Company appointed Mr. Chandrasekhar Sivaraman Venkatraman who was then Vice President (Technical & Information Systems) and has been employed by the Company since 1992, as Mr. Prashant’s replacement as Director (Technical) and as Executive Director on the Executive Board with effect from 1st January 2023. Following the aforementioned appointment with effect from 1st January 2023, the Executive Board comprises of Mr. Khalid Hashim, Mr. Gautam Khurana, and Mr. Chandrasekhar Sivaraman Venkatraman.

- **A long-term charter of M.V. Sarocha Naree**

On 13 December 2022, the Company notified the SET that an Ultramax vessel in its fleet, M.V. Sarocha Naree, was fixed on a 12-15 month charter to Intergis Co., Ltd., South Korea, commencing 9 December 2022 at a gross variable rate equivalent to 116.5% of the Baltic Exchange Supramax Index (BSI) weighted time charter average value over the previous 15 days.

- **A long-term charter of M.V. Lanna Naree**

On 19 December 2022, the Company notified the SET that a Handysize vessel in its fleet, M.V. Lanna Naree, was fixed on a 10-14 month charter to Dampskibsselskabet Norden A/S, Denmark, commencing 18 December 2022 at a gross variable rate equivalent to 92.5% of the Baltic Exchange Handysize Index (BHSI) weighted time charter average value over the previous 15 days.



NATURE OF BUSINESS AND INDUSTRY

1. Revenue Structure

PSL Ships are employed principally under a Time Charter or Voyage Charter Contract:

1.1 Time Charter: Under this type of charter, the Charterer pays Charter Hire to PSL to operate the vessel for an agreed time period. The Charterer bears all voyage costs, including the cost of bunker fuels and port dues. It may be noted in this case that PSL (or the Shipowning Company) is not the Lessor of the ship, but rather a service-provider, since PSL retains full control with physical and legal possession of the ship.

1.2 Voyage Charter: Under this charter, the Charterer pays Freight to PSL to transport a particular cargo between two or more designated ports (usually paid on a dollar per ton basis). In this case, PSL bears all the voyage costs, including the cost of bunker fuels and port dues.

Revenue structure from the operation of PSL for the last 3 years

Revenues	2020		2021		2022	
	Amount (Baht Million)	% of Total Revenue	Amount (Baht Million)	% of Total Revenue	Amount (Baht Million)	% of Total Revenue
Time Charter Income	2,874.43	76.63	7,722.88	87.62	8,992.49	98.31
Voyage Charter Income	851.87	22.71	888.87	10.08	132.30	1.45
Total Vessel Operating Income	3,726.30	99.34	8,611.75	97.70	9,124.79	99.76
Other income	24.76	0.66	202.54	2.30	21.85	0.24
Total Revenues	3,751.06	100.00	8,814.29	100.00	9,146.64	100.00

2. Nature of business

PSL operates its fleet on a tramp-shipping basis, which is to say that the vessels do not have a predetermined schedule for the ports that they call. Principal cargoes handled by PSL are cement, agricultural products, steel, fertilizers, ores and concentrates, coal, and logs. Geographically, PSL estimates its business to be divided evenly across five regions: i) North America ii) Europe, iii) Latin and South America - Africa, iv) Indian sub-continent - Middle East, and v) South East & Far East Asia. PSL operates the majority of its ships in ports that have restricted draft and limited infrastructure (PSL ships have equipment for self-loading & unloading) where larger ships cannot operate. This distinction provides a competitive advantage and allows PSL to enjoy stable charter rates compared to other operators. PSL's geared ships are therefore preferred over larger, gearless ships, despite the latter's economies of scale.

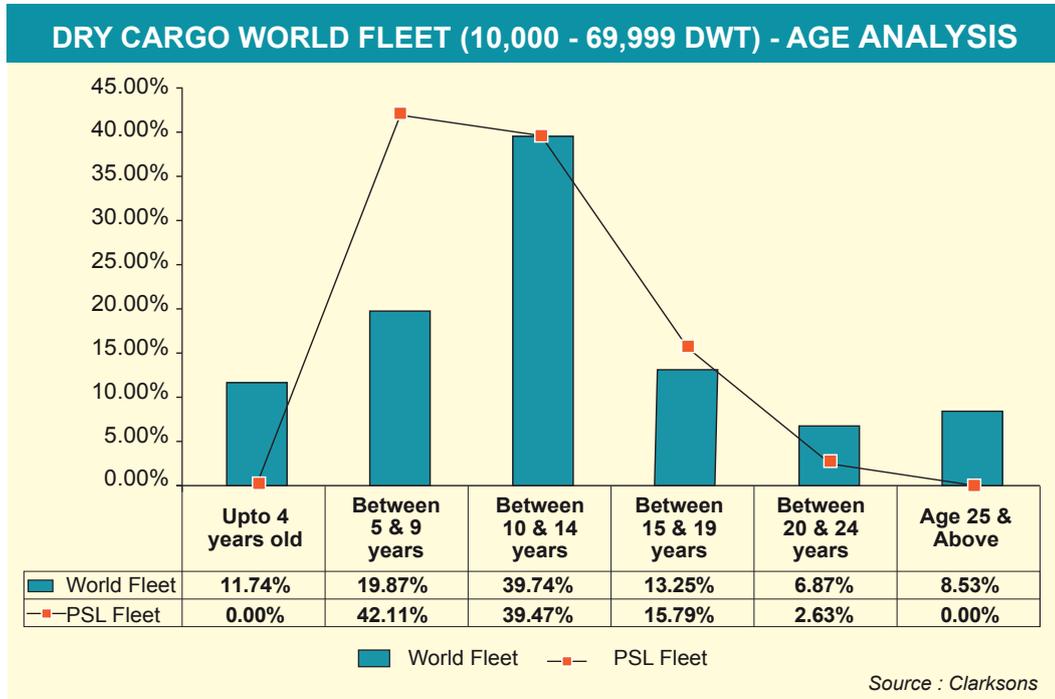
Each ship sails across the globe, depending on the requirements of PSL's charterers. The Fleet is hired on both time charters as well as voyage charters, with a typical duration of 1 - 3 months. The mix between the two types of business had historically been equal until the year 2004. Thereafter, time charter contracts have constituted more than 90% of vessel employment. In 2022, a significant proportion of our fleet was fixed on index linked time charter contracts of about 12 months duration. The variable rates under this type of time charter allow us to fully capture the upside in the market, although it also exposes us to the risk of a fall in market rates.

The diversified nature of its operations (global dry bulk shipping in the geared sectors carrying 'essential' basic commodities) allows PSL to minimize the impact of risks in terms of regions or commodities covered as well as economic cycles.

2.1 Fleet Age

PSL's fleet, with a present average age of about 11 years, is younger than the world's fleet average age of about 12.5 years.

An age-wise analysis as of 1 January 2023 of PSL's fleet vis-a-vis the World Fleet (10,000 - 69,999 DWT) is given in the following graph.



2.2 Business Operations

PSL's revenues are well diversified in terms of its business mix, as can be seen from the following tables:

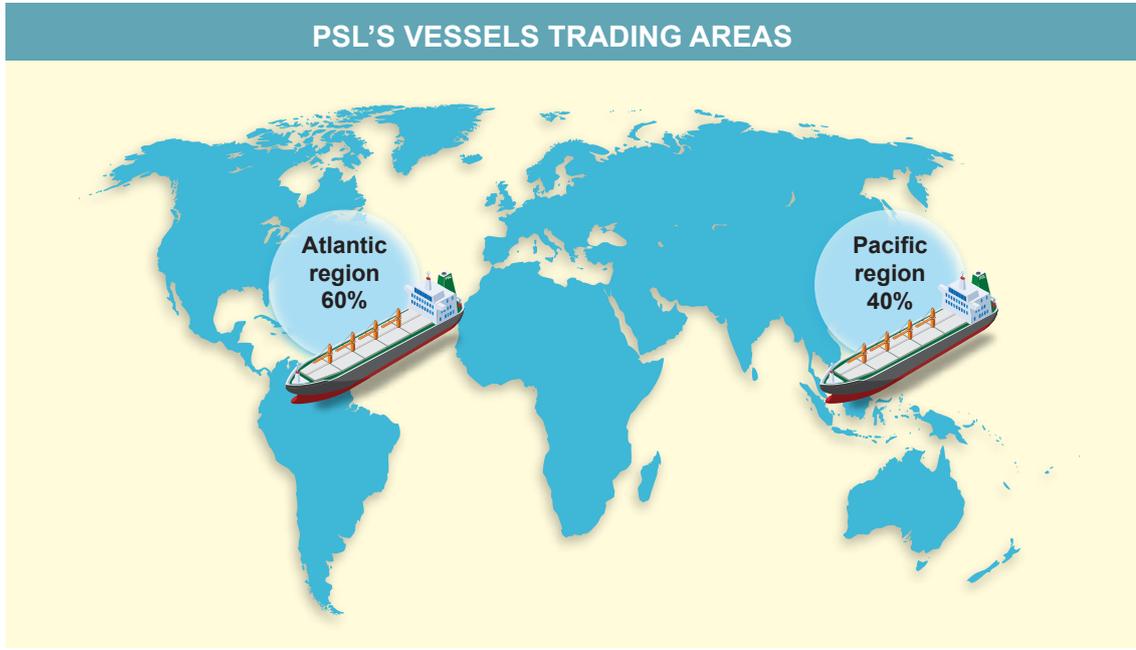
i Commodities/Cargoes Carried

Commodity	(Number of Voyages and % of Total Voyages)					
	2020		2021		2022	
Cement	114	29.77%	125	32.22%	115	31.68%
Agricultural Commodities	71	18.54%	67	17.27%	60	16.53%
Steel	43	11.23%	35	9.02%	45	12.39%
Fertilisers	34	8.88%	40	10.31%	20	5.50%
Specialised Ores	50	13.05%	39	10.05%	60	16.53%
Coal	36	9.40%	26	6.70%	22	6.06%
Forest Products/Logs	4	1.04%	21	5.41%	11	3.03%
Others	31	8.09%	35	9.02%	30	8.28%
Total	383	100.00%	388	100.00%	363	100.00%

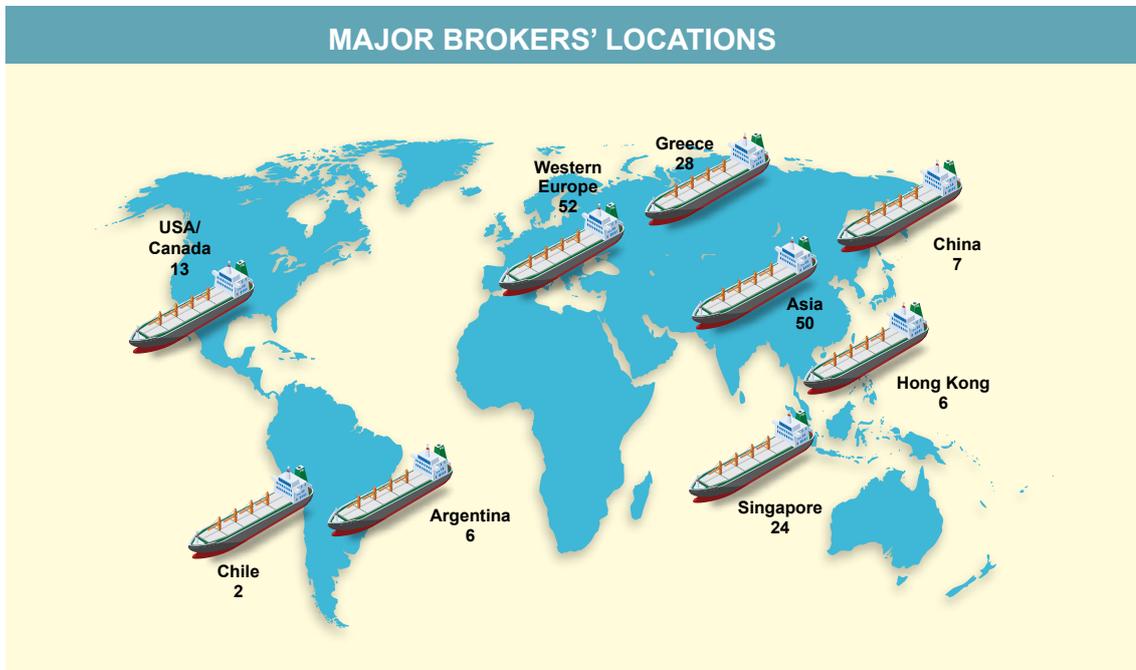
ii Voyage Charters v/s Time Charters

Charter	(Number of Voyages and % of Total Voyages)					
	2020		2021		2022	
Voyage Charters	34	8.88%	24	6.19%	3	0.83%
Time Charters	349	91.12%	364	93.81%	360	99.17%

iii Vessel Trading Areas for the year 2022



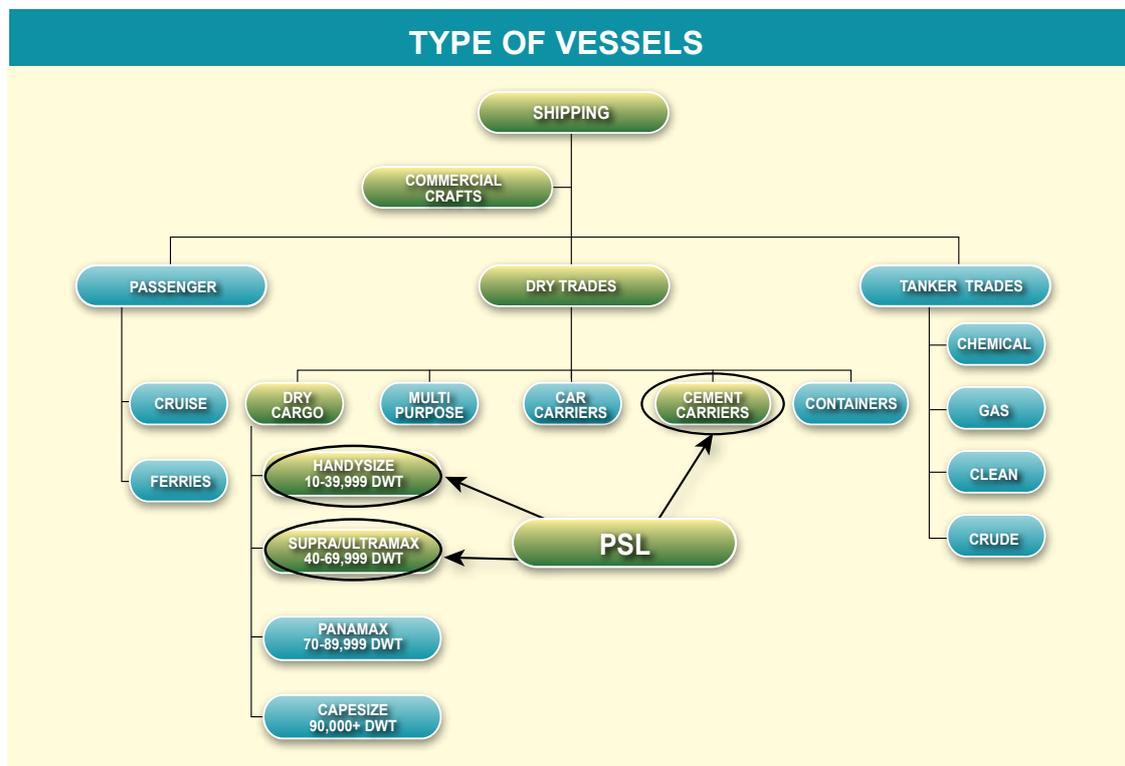
iv Marketing network and major broker locations



From the above graphs, it can be observed that PSL enjoys a wide coverage with its top class world-wide marketing network. The extensive use of the internet has allowed this coverage to be obtained in an extremely cost effective manner.

3. INDUSTRY STRUCTURE

Broadly, the Shipping Industry is classified as under:



3.1 Dry Bulk Market

Dry Bulk Commodities are divided into 2 categories, viz. Major Bulk and Minor Bulk. Major Bulk commodities are iron ore, coal, and certain grains. Minor Bulk commodities are agricultural commodities, cement, steel, fertilisers, specialized ores, forest products, etc.

PSL's fleet is in the geared ships sector. Demand for this sector is fragmented because of the broad cargo base and multitude of ports serviced by this market segment. As a result, earnings are also less volatile compared to earnings of gearless vessels.

The vessel supply picture is also very fragmented. As of 31 December 2022, there were 8,301 ships with DWT of between 10,000 and 69,999. The largest shipowner in this sub-group has a fleet of only about 120 ships or about 2% market share of capacity in DWT terms. The majority of the owners are private companies with a small number of vessels. PSL has 38 ships or about 0.50% market share of capacity in DWT terms.

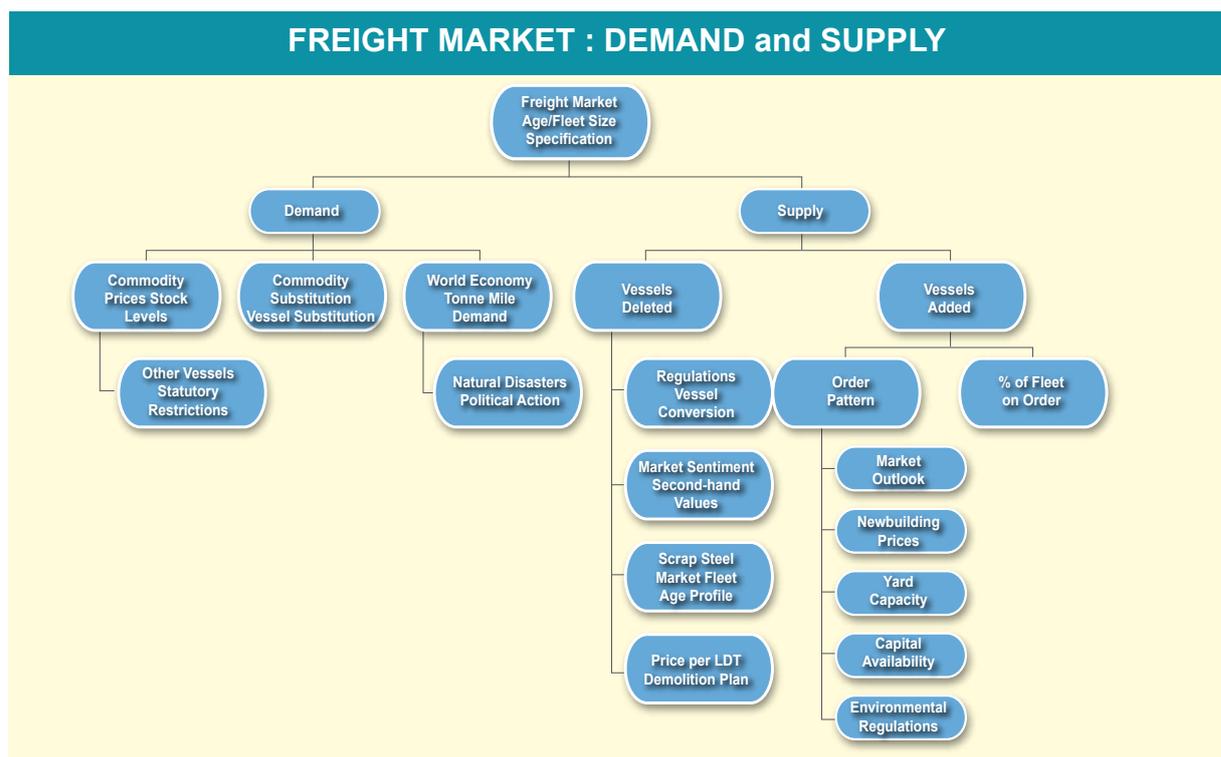
Historically, the Shipping Industry has been a very cyclical industry with two to three years of declining charter rates needed to stabilise supply and demand before freight rates begin to increase. For instance, it took three years for demand to recover following the "down cycle" triggered by the "Asian Financial Crisis" in 1997. With the gradual increase in economic growth in all regions of the world, dry bulk commodity demand improved in 2000 and the improvement continued till the first half of 2001. Also helping the bullish freight rates were increased scrap prices, which incentivized the demolition of older vessels. From 2001, the market witnessed a downturn due to various factors which were of a rather limited duration. The market then witnessed an unprecedented upward trend starting in the third/fourth quarter of 2003, and remained firm throughout 2004 till the first half of 2005, after which the market again experienced a small downturn which experts attributed to an upsurge in supply of vessels, coupled with

a decline in scrapping of older vessels. However, contrary to expectations and conventional wisdom, the market turned north from the end of the second quarter of 2006. During 2007, the market continued heading north and reached a peak indicated by the Baltic Dry Index (BDI - as described in 3.3 hereunder) touching 11,039 points on 13 November 2007, before starting to drift lower till the end of January 2008. The market then again headed north till it reached its highest level ever, with the BDI reaching 11,793 points on 20 May 2008, after which, with the onset of the Global Financial Crisis (GFC) and the threat of sustained global recessionary conditions, it fell consistently, reaching 663 points on 5 December 2008, and was at 774 points at the end of the year 2008. As the net annual increase in the supply of vessels was very high during 2009 - 2012, the dry bulk market had to face a protracted period of low BDI from 2011 to 2016. The BDI hit the lowest level in its history at 290 points on 10 February 2016 and the average BDI for the year 2016 was at 673 points which was the lowest average BDI in dry bulk history.

Since 2016, the BDI has been on a gradual uptrend as supply pressures eased due to a decline in the new vessel orderbook. In the first half of 2019, an accident at a Vale mine in Brazil, adverse weather conditions in Australia and African swine fever in China had a debilitating impact on freight rates. Fortunately, the recovery in the second half was very strong, with the BDI touching a ten-year high in September 2019. This was followed by the mother of all black swan events, the Covid-19 Pandemic, which annihilated ship earnings between February and May of 2020. From June 2020 onwards, however, there was a gradual resumption in demand as economies around the world reopened. In addition, China's USD 667 Billion steel-intensive stimulus package accentuated the demand for commodities. Recovering demand and tightening vessel supply have kept freight rates buoyant in late 2020 and through the year 2021. In 2021, the dry-bulk freight markets continued their uptrend driven by further economic expansion in major economies as well as a benign orderbook. The BDI hit 5,650 points, a 13 year high, on 7 October 2021, following which it declined to close the year at 2,217 points. In 2022, the dry-bulk freight markets continued their uptrend however rates softened in the latter half of the year due to the increase in US interest rate, the worsening property sector in China, and lower cargo flows out of Ukraine due to the Russia-Ukraine war. The BDI closed the year at 1,515 points.

3.2 Demand – Supply

While the composition and the age of a company's fleet does have an effect on its earnings and expenses, the following table illustrates the various external factors governing demand and supply which drive the Shipping Industry and create the business cycle.



3.3 Shipping Market Index

The Baltic Dry Index (“BDI”) is the leading indicator of spot dry bulk cargo freight rates, calculated by the London-based Baltic Exchange. A description of the BDI and its computation method is provided hereunder.

The Baltic Dry Index

The BDI is the successor to the Baltic Freight Index (BFI) and came into operation on 1 November 1999. From 1 July 2009 to 28 February 2018, the BDI was a composite average of Capesize, Panamax, Supramax and Handysize vessel time charter rates (TC).

In January 2018, the Baltic Exchange announced that it will be implementing changes to the Baltic Dry Index (BDI). From 1 March 2018, the BDI was re-weighted to the following ratios of time charter assessments: 40% Capesize, 30% Panamax and 30% Supramax. Handysize vessels were no longer included in computing the BDI. A multiplier of 0.1 was applied to the assessed daily time charter rate.

The BDI is computed by applying the following formula.

$((\text{Average Capesize TC} \times 40\%) + (\text{Average Panamax TC} \times 30\%) + (\text{Average Supramax TC} \times 30\%)) \times 0.1$.

Baltic Supramax Index (BSI)

BSI for Tess 58 design has been published commencing on 3 April 2017, and the transition from BSI Tess 52 design to BSI Tess 58 design was completed as of 31 December 2018, when the Baltic Exchange stopped publishing BSI for Tess 52.

Since 1 January 2019, the Baltic Supramax Index is based on the following type of vessel as described below:

Standard “Tess 58” type vessel with grabs as follows:

- 58,328 DWT self trimming single deck bulk carrier on 12.80 m draught, non - scrubber fitted.
- 189.99 m length, 32.26 m breadth, 5 hatches, 72,360 cubic metres space for loading cargo.
- Speed of 14 knots loaded with cargo on a consumption of 33mt of fuel oil per day at sea, speed of 14 knots without any cargo on a consumption of 32mt of fuel oil per day at sea.
- Speed of 12 knots loaded with cargo on a consumption of 24mt of fuel oil per day at sea, speed of 12.5 knots without any cargo on a consumption of 23mt of fuel oil per day at sea.
- 4 Cranes, each of 30mt lifting capacity with 12 cubic metre grabs for loading and or discharging cargoes.
- Maximum age of Vessel - 15 years.

Route definitions

Route 1B: Delivery of the ship within Canakkale range for one trip time charter via Mediterranean or Black Sea. Duration of the time charter about 40/50 days. Redelivery of the ship within China/South Korea range. Weighting applied: 5 percent.

Route 1C: Delivery of the ship within US Gulf range for one trip time charter. Duration of the time charter about 50/55 days. Redelivery of the ship within China/South Japan range. Weighting applied: 5 percent.

Route 2: Delivery of the ship within North China range for one trip time charter. Duration of the time charter about 35/40 days. Redelivery of the ship within one Australian or Pacific round voyage range. Weighting applied: 20 percent.

Route 3: Delivery of the ship within North China range for one trip time charter. Duration of the time charter about 55/65 days. Redelivery of the ship within West Africa range. Weighting applied: 15 percent.

- Route 4A:** Delivery of the ship within US Gulf range for one trip time charter. Duration of the time charter about 25/30 days. Redelivery of the ship within Skaw/Passero range. Weighting applied: 7.5 percent.
- Route 4B:** Delivery of the ship within Skaw/Passero range for one trip time charter. Duration of the time charter about 25/30 days. Redelivery of the ship within US Gulf range. Weighting applied: 10 percent.
- Route 5:** Delivery of the ship within West Africa range for one single time charter via East Coast South America. Duration of the time charter about 60/65 days. Redelivery of the ship within North China. Weightage applied: 5 percent.
- Route 8:** Delivery of the ship within South China range for one trip time charter via Indonesia. Duration of the time charter about 20/25 days. Redelivery of the ship within East Coast India range. Weighting applied: 15 percent.
- Route 9:** Delivery of the ship within West Africa range for one trip time charter via East Coast South America. Duration of the time charter about 45/50 days. Redelivery of the ship within Skaw/Passero range. Weighting applied: 7.5 percent.
- Route 10:** Delivery of the ship within South China range for one trip time charter via Indonesia. Duration of the time charter about 20/25 days. Redelivery of the ship within South China range. Weighting applied: 10 percent.

In all the above, it is assumed that 5% total commission on the Gross Time Charter Hire would be payable and business is done within 5/10 days in advance of the ship being free of her last cargo.

Baltic Handysize Index (BHSI)

BHSI for Tess 28 design has been published commencing in 2007, and the transition from BHSI Tess 28 design to BHSI Tess 38 design was completed as of 31 December 2019.

Since 2 January 2020, the Baltic Handysize Index is based on the following type of vessel as described below:

- 38,200 DWT self trimming single deck geared bulk carrier on 10.538 m draught, non - scrubber fitted.
- 180 m length, 29.8 m breadth. 5 holds and 5 hatches. 47,125 cubic metres space for loading cargo.
- Speed of 14 knots loaded with cargo on a consumption of 26mt of fuel oil per day at sea, speed of 14 knots without any cargo on a consumption of 24mt of fuel oil per day at sea.
- Speed of 12 knots loaded with cargo on a consumption of 18mt of fuel oil per day at sea, speed of 12 knots without any cargo on a consumption of 17mt of fuel oil per day at sea.
- 4 Cranes each of 30mt capacity for loading and or discharging cargoes.
- Maximum age of Vessel - 15 years.

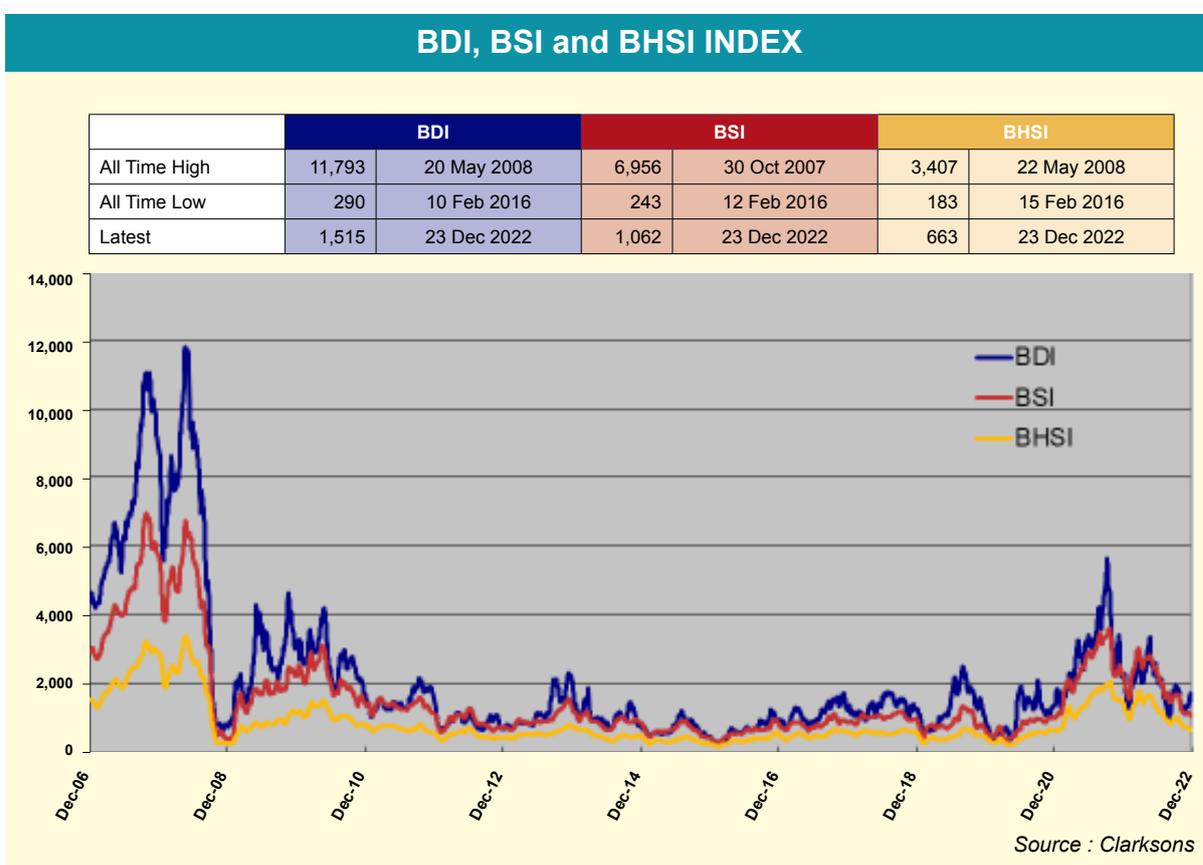
Route definitions

- Route 1:** Delivery of the ship within Skaw/Passero range for one trip time charter. Duration of the time charter about 35/45 days. Redelivery of the ship within Recalada/Rio de Janeiro range. Weighting applied: 12.5 percent.
- Route 2:** Delivery of the ship within Skaw/Passero range for one trip time charter. Duration of the time charter about 35/45 days. Redelivery of the ship within Boston/Galveston range. Weighting applied: 12.5 percent.
- Route 3:** Delivery of the ship within Recalada/Rio de Janeiro range for one trip time charter. Duration of the time charter about 35/45 days. Redelivery of the ship within Skaw/Passero range. Weighting applied: 12.5 percent.
- Route 4:** Delivery of the ship within US Gulf for one trip time charter. Duration of the time charter about 35/45 days via US Gulf or North Coast South America. Redelivery of the ship within Skaw/Passero range. Weighting applied: 12.5 percent.

- Route 5:** Delivery of the ship within South East Asia for one trip time charter . Duration of the time charter about 30/45 days. Redelivery of the ship within Singapore/Japan range including China. Weighting applied: 20 percent.
- Route 6:** Delivery of the ship within North China/South Korea/Japan range for one trip time charter Duration of the time charter about 40/45 days. Redelivery of the ship within North China/ South Korea/Japan range. Weighting applied: 20 percent.
- Route 7:** Delivery of the ship within North China/South Korea/Japan range for one trip time charter Duration of the time charter about 25/30 days. Redelivery of the ship within South East Asia range. Weighting applied: 10 percent.

In all the above, it is assumed that 5% total commission on the Gross Time Charter Hire would be payable and business is done within 5/10 days in advance of the ship being free of her last cargo.

The following graph shows the movement of the BDI, BSI and BHSI from 2006 until the end of 2022.



3.4 Maritime Laws and Regulations

Maritime laws and regulations are very complex and rigid. Due to PSL's strict observance of all maritime laws and regulations, coupled with excellent maintenance of its vessels, increasingly stringent regulatory environments play to PSL's strengths. For example, PSL's vessels frequently sail into countries, where authorities monitor compliance diligently, like Australia, the U.S., Canada and the European Union, without the fear of detentions and associated delays.

The following major laws and regulations govern the International Shipping Industry:

1. Flag State

The country where the ship has been registered is called a Flag State. This registration grants the ship physical and legal protection afforded under that flag/flag state usually applied to vital areas such as safety of cargo and life of those on board the ship. Flag states have the legal authority and responsibility to enforce regulations upon vessels that are registered under their flag, including regulations relating to inspection, certification, safety, and pollution. A shipowner or operator who registers their ship under a flag must meet the standards set by the Flag State and ensure that national and international regulations are being met.

The Flag State issues a Certificate of Registry, a statutory certificate required by local law and the United Nations Convention on the Law of the Sea. The Certificate of Registry which establishes the nationality and ownership of a ship shall be used only for the lawful navigation of the ship.

As of 31 December 2022, PSL has 22 ships registered under the Thai flag and 16 ships registered under the Singapore flag.

2. International Maritime Organization

The International Maritime Organization (IMO) is a United Nations body, which regulates the International Shipping Industry for the safety of life, property and the environment.

IMO has adopted numerous conventions, of which the most important are: Safety of Life at Sea (SOLAS), Maritime Regulations for Prevention of Pollution (MARPOL), Standards for Training Certification and Watch-keeping (STCW) & Maritime Labour Convention (MLC); these are the four pillars of the International Maritime Industries regulatory framework.

IMO Conventions are constantly being reviewed and updated to keep them in line with changing trends. Flag States are members of the IMO and are committed to abide by these conventions and regulations. Under MARPOL requirements, major changes with regard to reducing air pollution came into force from 1 January 2013. New ships built after this date are required to have an Energy Efficiency Design Index (EEDI) determined at the construction stage. The IMO has set a limiting value for EEDI which cannot be exceeded; IMO has also issued detailed guidelines for improving the EEDI in subsequent years. All ships are also required to have a Ship Energy Efficiency Management Plan (SEEMP) from 1 January 2013. As a further improvement to the SEEMP, mandatory fuel oil consumption data collection and reporting has been adopted by IMO in 2016. This entered into force on 1 March 2018, and collection of fuel consumption data commenced from 1 January 2019. The methodology is to be included in the Ship Energy Efficiency Management Plan (SEEMP).

- Upon verification of the submitted data, the Administrations will issue to the ships a Statement of Compliance related to fuel oil consumption.
- Finally, the Administrations will submit aggregate data to the IMO, which will maintain an anonymized IMO Ship Fuel Oil Consumption Database.

Engine exhaust emission standards are governed under MARPOL which from 1 January 2020 stipulated a global cap of 0.5% on the sulphur content of marine fuel compared to the previous cap of 3.5%. That said, a number of regions such as North America, North Sea, Caribbean and Baltic follow regulations that are stricter than the global standard and have from January 2015, required that vessels in these regions burn fuel with a maximum sulphur content of no more than 0.1%.

The switchover from 3.5% sulphur fuel to 0.5% sulphur fuel in 2020 was initially expected to be challenging due to the uncertainty regarding the availability and cost of compliant fuel. The transition, however, was relatively smooth and now three years after the regulation entering into force, there seem to be no problems with the availability of the new grade of compliant fuel with sulphur content below 0.5%

by mass. Shipowners had the option of installing an exhaust gas scrubber unit, in which case fuel with a higher sulphur content (HSFO) (3.5%) could be used. The scrubber would then 'wash down' and reduce the sulphur levels in the exhaust to below 0.5% levels (VLSFO). Installing of scrubber unit on vessels, however, presented several challenges both technical as well as financial. Several design flaws became apparent during the past few years as most of the commercially available scrubbers frequently broke down at sea. There were a few cases where the ships were left immobilized/incapacitated due to extensive damage to the scrubber units themselves and in certain cases also to the main propulsion machinery. In addition, several countries have banned the discharge of wash water from Open-Loop Scrubbers in their coastal waters and it is possible that these restrictions may spread globally. With the price differential between HSFO and VLSFO progressively decreasing, PSL's decision not to install scrubbers on our vessels and to consume compliant fuel only (VLSFO) on our vessels instead has proven to be a correct one.

The International Maritime Organization adopted the Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Index (CII) as an amendment to Marpol Annex VI, which entered into force on 1 January 2023.

EEXI Stands for Energy Efficiency Existing Ship Index. For vessels built after 2013, this is referred to as the Energy Efficiency Design Index or EEDI. This index is a measure of the CO₂ emissions per cargo tonne-mile, by determining the standardized CO₂ emissions related to installed engine power, transport capacity and ship speed. There are upper limits imposed by IMO on the maximum EEXI values permitted on all vessels- referred to as 'required EEXI'. The required levels are pre-determined on the basis of vessel size and type. The calculated EEXI figure for each vessel is referred to as 'attained EEXI'. If the 'attained EEXI' is higher than 'required EEXI', corrective measures will need to be adopted. Corrective measures include the installation of energy saving devices (eg. Mewis Duct) and Engine Power Limitation (EPL). Under EPL, the engines maximum continuous rating (MCR), which is the maximum power that the main engines were originally designed for, is limited either mechanically (on mechanical engines) or electronically (on the MAN ME and Wartsila Flex engines). 11 of our vessels are already compliant with the upcoming EEXI regulations (i.e. attained EEXI < required EEXI) and so no changes will be required for these vessels. The EEXI regulation does not apply to cement carriers and so no changes are required for our fleet of four cement carriers., 23 of our vessels have Engine Power Limitations (EPL) installed; however, only 16 vessels will require a speed reduction, following which there will be a drop in the maximum speed as well as the fuel consumption.

CII stands for Carbon Intensity Indicator and is a measure of the quantity of CO₂ actually emitted by the vessel when it is in service. Vessels are required to reduce their attained CII levels compared to a base year of 2019. The reductions required are 1% by 2020, 2% by 2021, 3% by 2022, 5% by 2023, 7% by 2024, 9% by 2025, and 11% by 2026. Required CII levels after 2027 are yet to be decided upon. Vessels will be awarded a 'rating' on a scale of A to E, with A representing a very good (low CII) rating and E representing a poor (high CII) rating. After 2023, an 'E' rating can be maintained for a maximum of 1 year after which the rating would have to be reduced to at least a 'D'. A 'D' rating can be maintained for a maximum period of 3 years after which the CII rating would have to drop to 'C'. To meet this challenge, the 'enhanced SEEMP' (Ship Energy Efficiency Management Plan Part III) has been prepared and approved by the Recognized Organization (ClassNK) for all of PSL's vessels. This will be effective from 1 Jan 2023. This document outlines the methods by which fuel consumption and thereby GHG emissions may be reduced for each individual vessel.

3. Classification Societies

Ship classification societies are organizations that establish and apply technical standards in relation to the design, construction, and survey of marine-related facilities.

The role of classification and classification societies has been recognized in the International Convention for the Safety of Life at Sea, (SOLAS) and in the 1988 Protocol to the International Convention

on Load Lines. With outstanding technical skills, Classification Societies have been recognized as reliable entities for verification of the condition of ships. Consequently, flag States have delegated their statutory authority regarding survey and certification of ships to Classification Societies under the provision of IMO regulations.

A classification certificate issued by a classification society recognized by the proposed ship register is required for a ship's owner to be able to register the ship and to obtain marine insurance on the ship.

Currently, more than 50 organizations worldwide describe their activities as including marine classification. The International Association of Classification Societies (IACS) a technically based non-governmental organization plays an important role within the International Maritime Organization (IMO), providing technical support and guidance and develops unified interpretations of the international statutory regulations developed by the member states of the IMO. The IACS currently consists of twelve-member marine classification societies.

PSL's vessels are classed with Nippon Kaiji Kyokai (Class NK), Lloyd's Register (LR), American Bureau of Shipping (ABS) Bureau Veritas (BV) and DNV. All five are members of IACS and have received authorization to act as Recognized Organizations under the IMO ("the RO Code")

4. Carriage of Goods by Sea Act

The Carriage of Goods by Sea Act (COGSA) was introduced in 1924 in Brussels after many shipping conferences were held among various European nations interested in shipping transportation. Subsequently, similar legislation was also introduced in the United States of America. This law is designed to govern the rights and responsibilities between the owners of the cargo being shipped (aka "shippers") and the persons or entities that transport the cargo for a fee (aka "carriers"); it covers the international transportation of merchandise by sea and has been amended many times since. The most recent amendment was made in 1992.

5. International Safety Management Code (ISM Code)

The ISM Code in its current form was adopted in 1993 and was made mandatory with the entry into force, on 1 July 1998, of the 1994 amendments to the SOLAS Convention. The purpose of the ISM code is to provide an international standard for the safe management and operation of ships and for pollution prevention. There are two relevant certificates issued by the government of the State whose flag the ship is entitled to fly or by an organization acting on behalf of that government – (1) the Document of Compliance 'DOC', evidencing that the relevant shipowner or operator (manager) has established a satisfactory Safety Management System (SMS) and (2) the Safety Management Certificate (SMC), issued after the auditing body is satisfied that the shipowner and its shipboard management operate in accordance with an approved Safety Management System. The code ensures that the ship and the company management ashore are subject to verification.

The Safety Management System of the Company and of the ships, have always been audited and comply with the requirements of the International Management Code for the Safe Operations of Ships and for Pollution Prevention (ISM Code).

6. International Ship and Port Facility Security Code (ISPS Code)

The ISPS code is a comprehensive set of measures to enhance the security of ships and port facilities, developed in response to the perceived threats to ships and port facilities in the wake of the 9/11 attacks in the United States.

Having entered into force under SOLAS chapter XI-2, on 1 July 2004, the International Ship and Port Facility Security Code (ISPS Code) has since formed the basis for a comprehensive mandatory security regime for international shipping.

SOLAS contracting governments, port authorities and shipping companies are required, under the

ISPS Code, to designate appropriate security officers and personnel, on each ship, port facility and shipping company. These security officers, designated Port Facility Security Officers (PFSOs), Ship Security Officers (SSOs) and Company Security Officers (CSOs), are charged with the duties of assessing, as well as preparing and implementing effective security plans that can manage any potential security threat.

All vessels in the fleet have been issued with an International Ship Security Certificate under the provisions of the ISPS Code.

7. Maritime Labour Convention (MLC)

The International Labour Organization (ILO) is the UN agency that sets internationally recognized labour standards to protect the rights of workers. The IMO and ILO cooperate on issues that come under the remit of both Organizations when they relate to seafarers. In February 2006, the ILO's Maritime Labour Convention (MLC) set the minimum standards to ensure satisfactory conditions of employment for the world's seafarers. The MLC 2006 achieved the required ratification criteria in August 2012 and entered into force on 20 August 2013; bringing together and updating over 65 other ILO maritime labour instruments, while introducing a system of certification and inspection to enforce it.

The MLC convention is also referred to as the "fourth pillar" of the maritime regulations, the others being SOLAS, MARPOL & STCW.

The Appendices to the MLC 2006 Convention contain two key model documents: a Maritime Labour Certificate and a Declaration of Maritime Labour Compliance. These certificates would be issued by the Flag State to a ship that flies its flag, once the State (or a recognized organization that has been authorized to carry out the inspections) has verified that the labour conditions on the ship comply with national laws and regulations implementing the Convention.

The MLC 2006 addresses the following in respect of conditions on board the ship:

Title 1: Minimum requirements for seafarers to work on a ship.

Title 2: Conditions of employment.

Title 3: Accommodation, recreational facilities, food and catering.

Title 4: Health protection, medical care, welfare and social security protection.

Title 5: Compliance and enforcement - on board complaint procedures.

Thailand had ratified the Maritime Labour Convention on 7 June 2016. It entered into force on 7 June 2017. All our Thai flag vessels are fully compliant.

Singapore had already ratified the MLC earlier. Hence the Company's vessels flying the Singapore flag vessels are fully compliant with the MLC requirements.

In April 2014, the International Labour Organization (ILO) agreed on several amendments to the MLC to implement the principles agreed back in 2009 by the joint IMO/ILO financial security working group. These amendments entered into force on 18 January 2017. Ships that are subject to the MLC, after this date, are required to display certificates issued by an insurer or other financial security provider confirming that insurance or other financial security is in place for the cost and expense of crew repatriation, as well as up to four months contractually entitled arrears of wages and entitlements following abandonment. A further certificate will be required for liabilities for contractual claims arising from seafarer personal injury, disability, or death. P+I Clubs of the respective vessels have provided such certificates for all ships in our fleet. We have obtained these respective certificates for the individual ships from their respective P+I Clubs.

According to the provisions of the 2006 Maritime Labour Convention, the International Labour Organization (ILO) appealed to governments to ensure that seafarers are repatriated and that the risk of COVID-19 virus infection is minimized.

8. Ship Sanitation Certificate (SSC).

Historically, ships have played a significant role in the global transmission of infectious diseases. A World Health Organization (WHO) review identified more than 100 disease outbreaks associated with ships between 1970 and 2003. Because of the international nature of ship transport, international regulations relating to sanitary aspects of ship transport have been in place for more than half a century.

The International Health Regulations (IHR) (2005) is a key international public health document that is legally binding across 196 countries, including all World Health Organization (WHO) Member States, requiring them to work together for global health security. This fundamental document requires that ratifying countries have the ability to detect, assess, report and respond to public health events.

The IHR (2005) entered into force on 15 June 2007 and included “The Ship Sanitation Certificate” a document that corroborates a ship’s compliance with maritime sanitation and quarantine rules specified in article 39 of the International Health Regulations (2005) issued by the World Health Organization. The certificate serves as proof that the ship is free of clear sources of contagion and may be a requirement for permission of entry into a port in some jurisdictions. The SSC may be required from all ships, whether seagoing or inland navigation vessels, on an international voyage calling at the port of a State Party and may be renewed at any port authorized to do so.

Ship sanitation certificates (SSC) can be of two types: Ship Sanitation Control Certificates (SSCC) are issued when a health risk is found, and control measures (fumigation, etc.) have been successfully carried out. Ship Sanitation Control Exemption Certificates (SSCEC) are issued to vessels that have passed flying fists, that verify that the ship is free of animal vectors, potential disease reservoirs or ill humans.

All vessels in the fleet have been maintaining a valid Ship Sanitation Control Exemption Certificate (SSCEC).

9. International Convention on the Control of Harmful Anti-fouling Systems (AFS) on Ships

The harmful environmental effects of organotin compounds were recognized by IMO in 1989. In November 1999, IMO adopted an Assembly resolution that called on the MEPC to develop an instrument, legally binding throughout the world, to address the harmful effects of anti-fouling systems used on ships.

This instrument was later adopted as the International Convention on the Control of Harmful Anti-fouling Systems on Ships. It was adopted on 5 October 2001, prohibiting the use of harmful organotin compounds in anti-fouling paints used on ships and established a mechanism to prevent the potential future use of other harmful substances in anti-fouling systems. The Convention entered into force on 17 September 2008.

The convention defines “anti-fouling systems” as “a coating, paint, surface treatment, surface or device that is used on a ship to control or prevent attachment of unwanted organisms”.

Anti-fouling paints are used to coat the bottoms of ships to prevent sea life such as algae and molluscs from attaching themselves to the hull – thereby slowing down the ship and increasing fuel consumption.

Amendments to the IMO Convention for the Control of Harmful Anti-fouling Systems on Ships (AFS Convention) – MEPC.331(76) – **Ban on use of AFS containing cybutryne.**

These amendments mean that AFS containing cybutryne shall not be applied or reapplied to any ship on or after 1 January 2023.

Ships bearing an AFS that contains cybutryne in the external coating layer of their hulls on 1 January 2023 shall either remove the anti-fouling system; or apply a coating that forms a barrier to this substance leaching from the underlying non-compliant AFS; no later than either the next scheduled renewal of the anti-fouling system after 1 January 2023, but no later than 60 months following the last application to the ship of an anti-fouling system containing cybutryne.

All vessels in the fleet have been surveyed in accordance with the regulation and comply with the applicable requirements of the Convention and have been issued an International Anti-Fouling System certificate.

10. International Convention on Standards of Training, Certification and Watch-keeping (STCW) for Seafarers, 1978, as amended

The 1978 STCW Convention was the first to establish basic requirements on training, certification and watch-keeping for seafarers on an international level. Previously, the standards of training, certification and watch-keeping of officers and ratings were established by individual governments, usually without reference to practices in other countries. As a result, standards and procedures varied widely, even though shipping is the most international of all industries. The Convention prescribes minimum standards related to training, certification and watch-keeping for seafarers which countries are obliged to meet or exceed.

The 1995 amendments, adopted by a Conference, represented a major revision of the Convention, bringing about more stringent requirements to the standards.

Another major revision to the STCW Code was adopted at a Diplomatic Conference in Manila in June 2010, thereby ensuring that necessary global standards were in place to train and certify seafarers to operate technologically advanced ships for some time to come. The amendments, known as “The Manila amendments to the STCW Convention and Code” entered into force on 1 January 2012, under the tacit acceptance procedure and were aimed at bringing the Convention and Code up to date with developments since they were initially adopted in 1978 and further revised in 1995; and to enable them to address issues that are anticipated to emerge in the foreseeable future. Amongst the amendments adopted, there were a number of important changes to each chapter of the Convention and Code. The five-year transitional period ended on 1 January 2017 and the Manila Amendments have been fully implemented.

11. International Convention for the Control and Management of Ships’ Ballast Water and Sediments, 2004

Ships take in a large volume of ballast water after discharging cargo to maintain stability. This ballast water containing species from one region is discharged in another region where the ships load a cargo. The problem of invasive species has increased due to the expanded trade and traffic volume over the last few decades. The effects in many areas of the world have been devastating. Quantitative data show that the rate of bio-invasions is continuing to increase at an alarming rate, in many cases exponentially, and new areas are being invaded all the time. At present, the regulations require vessels to exchange ballast water at open sea before discharging into a different port. New regulations require ships to treat the ballast water taken into their tanks with the help of an approved Ballast Water Treatment System (BWTS) which needs to be installed onboard. The Ballast Water Management Convention entered into force on 8 September 2017, 12 months after ratification by 30 States, representing 35% of world merchant shipping tonnage. All vessels are required to carry a Ballast Water Management certificate. All new vessels’ keel laid from this date are required to be fitted with IMO approved ballast treatment plants. All existing vessels are required to retrofit such plants in a phased manner along with surveys associated with the first renewal of the International Oil Pollution Prevention (IOPP) certificate after 8 September 2019. All IMO approved treatment plants present in the market have not yet met the stringent US Coast Guard (USCG) approval requirements. There is a separate USCG schedule for BWTS installation, defined mainly by the number of USCG approved BWTS that were available in the market.

The MEPC adopted amendments to the International Convention for the Control and Management of Ships’ Ballast Water and Sediments, 2004 (BWM Convention), concerning commissioning testing of ballast water management systems and the form of the International Ballast Water Management Certificate. The amendments entered into force on 1 June 2022.

The Committee also approved revised Guidance for the testing and commissioning of ballast water management systems (BWM.2/Circ.70/Rev.1); and revised Guidance on ballast water sampling and analysis for trial use in accordance with the BWM Convention and Guidelines (G2) (BWM.2/Circ.42/Rev.2).

As of the end of December 2022, 37 of PSL's fleet of 38 vessels have been installed with BWTS that are approved by both the IMO as well as the USCG. The remaining vessel will also be fitted with USCG approved BWTS as per the respective IMO/USCG compliance dates by early 2023.

12. Maritime Cyber Risk Management

Cyber security threats in present times have increased in variety, frequency and sophistication - from a Trojan USB stick that introduces malware aimed at acquiring sensitive commercial information or an email with detailed vessel itineraries sent to a large group of unknown people or the full-scale subverting of a company's IT system or the potential compromising of Automatic Identification System (AIS) and Electronic Chart Display and Information System (ECDIS) systems onboard ships. The number of potential risk scenarios is significant and keeps growing. Fraudsters employ whatever hacking technology works, often tailored to specific targets of opportunity. Ships nowadays regularly use Global Navigation Satellite System (GNSS) and ECDIS combined with Automatic Information System (AIS) transponders. An attack on Global Positioning Satellites (GPS) systems could threaten a vessel not knowing its precise location at sea or while maneuvering in port.

Ships are increasingly using systems that rely on digitalization, integration, and automation, which call for cyber risk management on board. As technology continues to develop, information technology (IT) and operational technology (OT) onboard ships are being networked together – and more frequently connected to the internet. This brings the greater risk of unauthorized access or malicious attacks to ships' systems and networks. Risks may also occur from personnel accessing systems on board, for example by introducing malware via removable media.

In the first quarter of 2020, PSL completed a full audit of our IT network based on BIMCO Cyber Security Guidelines, conducted by Lloyds Register, and based on the findings of this gap analysis of PSL's cyber security posture, we have taken action to eliminate all the weak points. Similarly, we also underwent a grey box penetration test done by an ethical hacker and based on the findings, have fully implemented all the recommended measures.

In compliance with IMO resolution MSC 428 (98), which encourages national administrations to ensure that cyber risks are appropriately addressed in safety management systems (SMS) no later than the first annual verification of the company's Document of Compliance after 1 January 2021, we have produced a "Cybersecurity Management Manual" which has now been incorporated into the company's SMS.

13. International Code for Ships Operating in Polar Waters (Polar Code)

IMO has adopted the Polar Code and related amendments in 2014 - 2015 to make it mandatory under both the International Convention for the Safety of Life at Sea (SOLAS) and the International Convention for the Prevention of Pollution from Ships (MARPOL). The Polar Code entered into force on 1 January 2017. This marks a historic milestone in the IMO's work to protect ships and people aboard them, both seafarers and passengers, in the harsh environment of the waters surrounding the two poles. By the amendment to the code, additional more stringent regulations to prevent discharge of Oil, Noxious liquid substances in bulk, Sewage and Garbage will be imposed in order to protect the environment. However, as our vessels do not trade in the Polar region, the code does not apply to us.

14. International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001

The Convention entered into force on 21 November 2008 and was adopted to ensure that adequate, prompt, and effective compensation is available to persons who suffer damage caused by spills of oil when carried as fuel in ships' bunkers. The Convention applies to damage caused on the territory, including the territorial sea, and in exclusive economic zones of State Parties.

All vessels in the fleet have in place a policy of insurance or other financial security satisfying the requirements of Article VII of the International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001.

15. The Nairobi International Convention on the removal of Wrecks, 2007 (the “Wrecks Convention”)

The convention entered into force on 14 April 2015 and provides the legal basis for States to remove, or have removed, shipwrecks that may have the potential to affect adversely the safety of lives, goods, and property at sea, as well as the marine environment. The convention requires the registered owner of any seagoing vessel of 300 GT and over to maintain insurance or other financial security to cover the costs of locating, marking and removing wrecks. A certificate is issued to the vessel by a state party to the convention, attesting that the necessary insurance is in place.

All vessels in the fleet have in place a policy of insurance or other financial security satisfying the requirements of Article 12 of the Nairobi International Convention on the removal of Wrecks, 2007.

16. Various Regional and Local Regulations around the world

Shipping is regulated by various regional regulations and acts like:

- US Environmental Protection Act (EPA) - The Environmental Protection Agency is an independent executive agency of the United States federal government tasked with environmental protection matters.
- US National Pollutant Discharge Elimination System (NPDES) is a system under the US Environmental Protection Rules (Clean Water Act) to minimize pollution within US territorial waters (3 nm). For ships greater than 79 feet in length, all the requirements are laid out in a document called the Vessel General Permit (VGP). These requirements are additional to international environmental rules such as MARPOL. The VGP establishes technology-based effluent limits for all vessels and 26 specific discharges incidental to the normal operation of a vessel. In addition to these discharge and vessel specific requirements, extensive requirements are included for inspections, monitoring, reporting and record-keeping. The VGP requires a detailed review of environmental protection systems, crew training and record-keeping. The rules have been in force since the beginning of 2009. VGP requirements of the Environment Protection Agency (EPA) have become more stringent since January 2014.
- Since the year 2009 bulk cargo vessels (non-tank vessels) were required to have in place a non-tank vessel response plan (NTVRP) as per the US Code of Federal Regulations. The scope and requirements for US NTVRP are becoming larger and more vessel-specific since January 2014. Contracts and funding agreements are required with Salvage and Marine Fire Fighting companies as well as oil spill response organizations.
- As per California Air Resources Board (CARB), vessels are to comply with stringent fuel regulations within 24 nautical miles of the California State coast. Beginning 1 January 2014, the maximum permitted sulphur content in fuels used onboard is 0.1%, for both marine gas oil and marine diesel oil.
- US EPA has made it mandatory from 1 July 2012, for all vessels to have in place control measures and records against bio-fouling activity while in US waters.
- New Zealand has introduced strict regulations against biofouling in May 2018 under which ships calling at ports in New Zealand are expected to have the underwater hull and appendages cleaned not over 30 days before calling in New Zealand or within 24 hours after the time of arrival.
- As per European Union directives, fuel burnt in ports within EU territory continues to be capped at 0.1% sulphur content.
- Turkey is not a member of the EU, but its sulphur emission regulation is aligned with that of the EU. Hence, all ships are required to use marine fuels with a sulphur content not exceeding 0.10% while at berth in Turkish ports or operating on Turkish inland waterways. The requirement

does not, however, apply to ships transiting the Turkish Straits, that is, the Bosphorus and the Dardanelles, and the Marmara Sea, unless their transit process, e.g. a stay at an anchorage or in a port whilst awaiting passage, exceeds two hours.

- Black sea ports Bulgaria, Georgia, Romania, Russian Federation, Ukraine & Turkey are members of “The Commission on the Protection of the Black Sea Against Pollution”. Ships calling at these ports are subject to controls more stringent than MARPOL regulations and US requirements. Discharge of ballast water, sewage, grey water from washrooms and even deck wash water are subject to scrutiny by the authorities.
- China enforced its national fuel cap regulations since 1 January 2019.
 - From 1 January 2019, vessels must use fuel with a sulphur content not exceeding 0.50% while operating within the Coastal ECA, i.e., within China’s territorial sea (including the Hainan Coastal ECA).
 - From 1 January 2020, vessels entering Inland ECAs (Yangtze River and Xi Jiang River) must use fuel with a sulphur content not exceeding 0.10% while operating within the Inland ECA.
 - From 1 January 2022, vessels must use fuel with a sulphur content not exceeding 0.10% while operating within the Hainan Coastal ECA.
 - As part of its effort to prevent air pollution from ships, the Chinese authorities may determine that even stricter fuel quality requirements should be imposed in future. Under consideration is the implementation of a 0.10% sulphur cap in the Coastal ECA from 1 January 2025.
- The Republic of Korea (South Korea) is the latest country to announce the designation of national sulphur emission control areas which entered into force on 1 September 2020. The national South Korean sulphur restrictions will apply to the following six ports and a national sulphur emission control area has been defined for each port (Busan / Incheon / Ulsan / Yeosu / Gwangyang, including Hadong / Pyeongtaek-Dangjin). Initially, from 1 September 2020, ships had to switch to fuel oil not exceeding a sulphur content of 0.10% from one hour after completion of anchoring or mooring to one hour before completion of heaving up the anchor or de-berthing.
 - From 1 January 2022, the requirement within the national sulphur emission control areas will be tightened and ships will have to switch to fuel oil not exceeding a sulphur content of 0.10% from entering a national sulphur emission control area until having left.
- Effective 1 January 2020, the use of LSFO or other compliant fuels containing no more than 0.5% of sulphur became mandatory for vessels operating the world over unless the vessels are fitted with scrubbers capable of extracting sulphur content from the exhaust gas emissions.
- From 1 July 2024, an amendment to MARPOL will take effect whereby there shall be a prohibition on the use and carriage for use as fuel of heavy fuel oil (HFO) by ships in Arctic waters. The prohibition will cover the use and carriage for use as fuel of oils having a density at 15°C higher than 900 kg/m³ or a kinematic viscosity at 50°C higher than 180 mm²/s. Ships engaged in securing the safety of ships, or in search and rescue operations, and ships dedicated to oil spill preparedness and response would be exempted. Ships which meet certain construction standards with regard to oil fuel tank protection would need to comply on and after 1 July 2029. A Party to MARPOL with a coastline bordering Arctic waters may temporarily waive the requirements for ships flying its flag while operating in waters subject to that Party’s sovereignty or jurisdiction, up to 1 July 2029.
- The CII rating is introduced from 1 January 2023 based on the annual fuel consumption of each ship. The ships subject to the CII rating are required to develop a SEEMP (Part III) to include

“CII calculation methodology”, “Required CII values over the next 3 years”, “implementation plan for achieving the required CII” and “procedures for self-evaluation and improvement”, which is to be confirmed by the Administration or a Recognized Organization (RO). From 2023, the IMO DCS data will be subject to the CII rating, and a rating (A, B, C, D or E) will be given to each ship from 2024. For ships that have E rating in any year or D ratings for 3 consecutive years, it is required to develop a corrective action plan in the SEEMP Part III and the plan should be confirmed by the Administration or an RO.

- CO₂ reporting schemes (IMO DCS / EU MRV / UK MRV).
 - IMO DCS (Data Collection System) - From the calendar year 2019 each ship of 5,000 gross tonnage and above require to collect and report data on their fuel consumption (following a yearly cycle) to the Flag state or Recognized Organization, this should be done within three months after the end of each calendar year. Data collected is reviewed and submitted to the data collection centre at the IMO. After verification, a Statement of Compliance (SoC) is issued in due time before the 31 of May.

PSL vessels data collection and reporting for are being reviewed from 1 January 2019 onwards by the Recognized Organization.

- EU MRV (Monitoring, Reporting and Verification) - With effect from 31 August 2017, each ship of 5,000 gross tonnage and above calling any EU ports should have an approved vessel-specific CO₂ Monitoring, Reporting & Verification Plan (MRV). Plans are to be submitted to the competent authority after the end of each calendar year before the 30 of April. 30 June of each year after the reporting period - the Document of Compliance issued by the verifier is to be on-board

PSL vessels calling at EU ports have been submitting data as per the EU MRV and have received the Documents of Compliance from the Recognized Organization.

- UK MRV (Monitoring, Reporting and Verification) - Due to Brexit, EU MRV no longer applies to ships visiting UK ports. As such, the UK is no longer part of the EU MRV regime, but it has retained and amended the EU legislation with the establishment of an identical scheme, the UK MRV scheme, to monitor, report and verify emissions data from ships calling at UK ports. Shipping companies will have to submit their first UK MRV emissions reports to verification bodies in early 2023, with the first monitoring period starting on 1 January 2022.
- Ship Recycling Conventions - In view of an increased concern about various environmental issues, the focus on the use of non-hazardous materials in ship design, building and operation is also increasing. Two regulations are presently governing these issues:
 - Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 SR/CONF/45 (HKC) and
 - Regulation (EU) No. 1257/2013 of the European Parliament and of the Council of 20 November 2013 on Ship Recycling (EU SRR).
 - The EU SRR and the HKC, both statutory requirements, place responsibility on ship owners, shipbuilders, suppliers, recycling facilities and national authorities to ensure the safe and environmentally viable management of hazardous materials (hazmat) as well as the sustainable recycling of ships. A fundamental requirement of these regulations is the documentation of hazardous materials onboard ships, the so-called Inventory of Hazardous Materials (IHM), and the authorization of ship recycling facilities.
 - With effect from 31 December 2020, EU Regulation on Ship Recycling will apply to foreign ships in EU waters. Ships are to comply with the Inventory of Hazardous Material (IHM)

- PSL has obtained the Statement of Compliance on Inventory of Hazardous Materials (IHM) for all the vessels in the fleet.
- The European Emissions Trading System (“EU ETS”) is a cornerstone of the EU’s policy to combat climate change and its key tool for reducing greenhouse gas emissions cost-effectively. It is the world’s first major carbon market and remains the biggest one.

ETS is a cap-and-trade system for cutting down GHG emissions. It has two principles, setting a ceiling on the yearly maximum amount of GHG emissions and the trading of EU emission allowances (EUAs).

Beginning from 2025, shipping companies will have to surrender EUAs based on their EU MRV. To ensure a smooth transition, shipping companies will be given a three year phase-in period where they will surrender allowances for a portion of their emissions, based on the following schedule;

- a) 40% of verified emissions in 2024
- b) 70% of verified emissions in 2025
- c) 100% of verified emissions in 2026.

The regulated entity shall surrender sufficient allowances by 30 April of each year to cover its emissions during the preceding year. In case these allowances are not adequate, the regulated entity shall be held liable for the payment of an excess emissions penalty while Member States shall publish the names of shipping companies that fail to submit sufficient allowances.

17. Port State Control (PSC) Inspections

Port State control (PSC) is an inspection regime for countries to inspect foreign-registered ships in a port other than those of the flag state. There are nine regional agreements on port State control – Memoranda of Understanding or MoUs. The United States Coast Guard maintains the tenth PSC regime.

The primary responsibility for ships’ standards rests with the flag State - but port State control provides a “safety net” to identify substandard ships and act against ships that are not in compliance.

Inspectors for PSC are called PSC officers (PSCOs) and are required to investigate compliance with the requirements of international conventions, such as SOLAS, MARPOL, STCW, and the MLC. Inspections can involve checking that the vessel is manned and operated in compliance with applicable international law and verifying the competency of the ship’s master and officers, and the ship’s condition and equipment.

Any serious deficiency identified by the inspectors may result in the detention of the vessel, invariably causing delays till the deficiency is rectified.



FLEET LIST

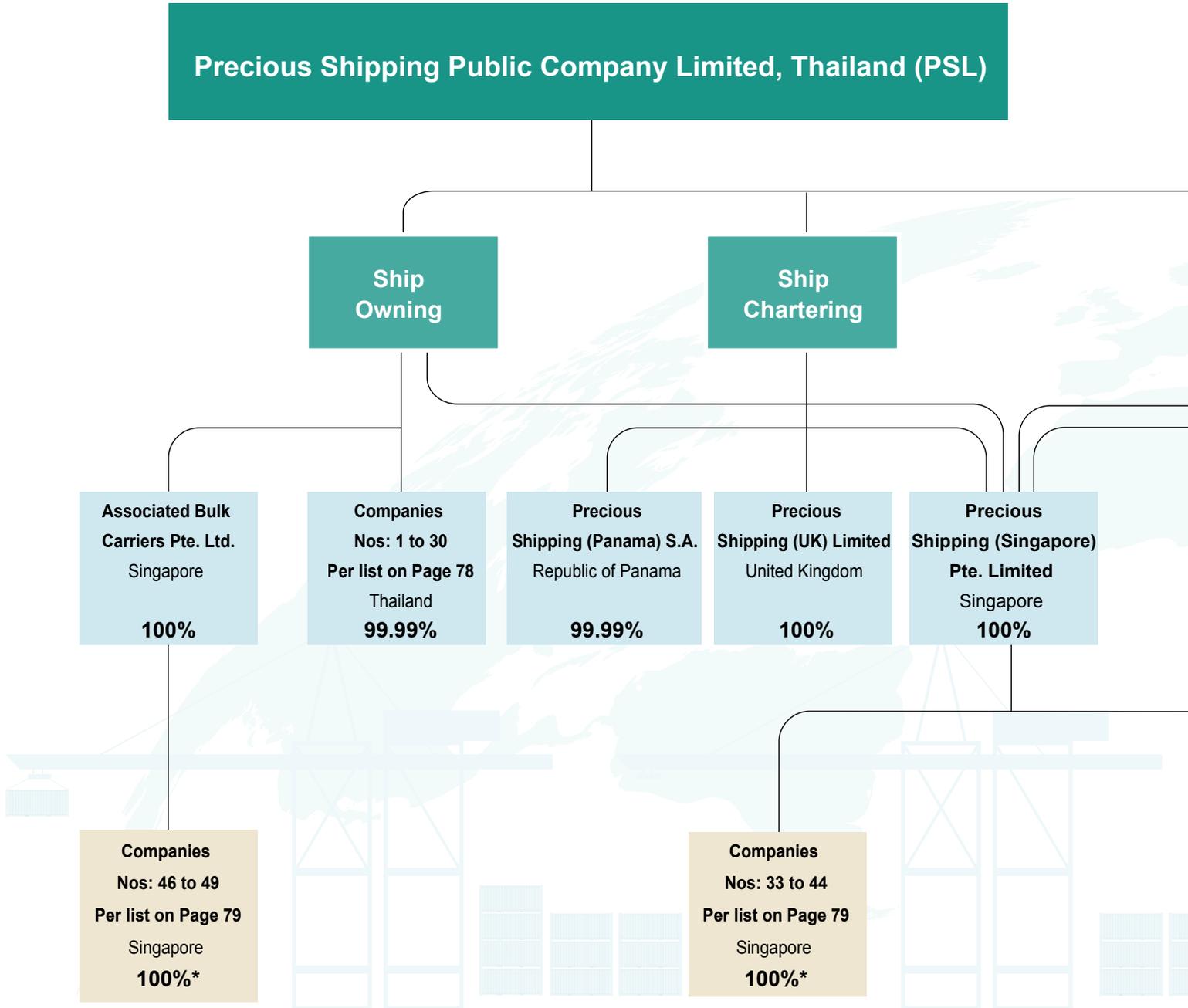
As on 31 December 2022

No.	Vessel Name	Flag	Year Built	Dead Weight Tonnes (DWT)	*Net Book Value (Million US\$)	**Insured Value (Million US\$)	
1	Rattana Naree	Thai	2002	28,442	6.08	8.50	
2	Rojarek Naree	Thai	2005	29,870	10.14	10.50	
3	Nalinee Naree	Thai	2005	31,699	10.35	11.00	
4	Chamchuri Naree	Thai	2005	33,733	9.70	11.20	
5	Charana Naree	Thai	2005	33,720	9.71	11.20	
6	Mookda Naree	Thai	2009	30,162	11.59	11.75	
7	Mayuree Naree	Thai	2008	30,193	11.11	11.00	
8	Mallika Naree	Thai	2008	30,195	10.20	11.00	
9	Lanna Naree	Thai	2012	33,843	14.49	15.50	
10	Latika Naree	Thai	2012	33,869	14.59	15.50	
11	Ananya Naree	Singapore	2011	33,857	18.99	19.00	
12	Benjamas Naree	Singapore	2012	33,780	19.87	20.00	
13	Chintana Naree	Singapore	2013	33,945	17.71	17.00	
14	Vipha Naree	Singapore	2015	38,851	16.98	21.80	
15	Viyada Naree	Singapore	2016	38,716	17.62	23.00	
16	Phatra Naree	Thai	2017	35,882	25.46	24.60	
17	Pavida Naree	Thai	2018	35,892	25.70	25.80	
Handysize 17 Vessels				Total	566,649	250.29	268.35
				Average	33,332	14.72	15.79
18	Kanchana Naree	Thai	2011	56,920	17.88	18.00	
19	Kirana Naree	Thai	2011	56,823	18.24	18.25	
20	Warisa Naree	Thai	2010	53,839	10.01	14.00	
21	Wariya Naree	Thai	2011	53,833	10.75	15.00	
22	Wikanda Naree	Thai	2013	53,857	12.04	17.00	
23	Apiradee Naree	Singapore	2012	56,512	19.83	20.00	
24	Baranee Naree	Singapore	2012	56,441	19.84	20.00	
25	Chayanee Naree	Singapore	2012	56,548	19.84	19.80	
26	Daranee Naree	Singapore	2012	56,588	19.64	19.70	
Supramax 9 Vessels				Total	501,361	148.07	161.75
				Average	55,707	16.45	17.97
27	Inthira Naree	Thai	2014	63,468	20.34	25.00	
28	Issara Naree	Thai	2014	63,516	20.37	25.00	
29	Sarita Naree	Thai	2015	62,964	20.43	26.50	
30	Sarika Naree	Thai	2015	63,023	20.39	26.50	
31	Savitree Naree	Singapore	2016	63,016	20.47	28.00	
32	Savita Naree	Singapore	2016	62,970	20.87	28.00	
33	Sunisa Naree	Thai	2016	63,007	21.09	28.00	
34	Sarochoa Naree	Singapore	2017	63,047	22.33	29.50	
Ultramax 8 Vessels				Total	505,011	166.29	216.50
				Average	63,126	20.79	27.06
35	Apinya Naree	Singapore	2014	21,136	17.33	29.50	
36	Boonya Naree	Singapore	2014	21,159	17.83	29.50	
37	Chanya Naree	Singapore	2014	21,114	17.65	29.25	
38	Danaya Naree	Singapore	2015	21,149	18.29	30.50	
Cement Carriers 4 Vessels				Total	84,558	71.10	118.75
				Average	21,140	17.78	29.69
38 Vessels				Total	1,657,579	635.75	765.35
				Average	43,621	16.73	20.14

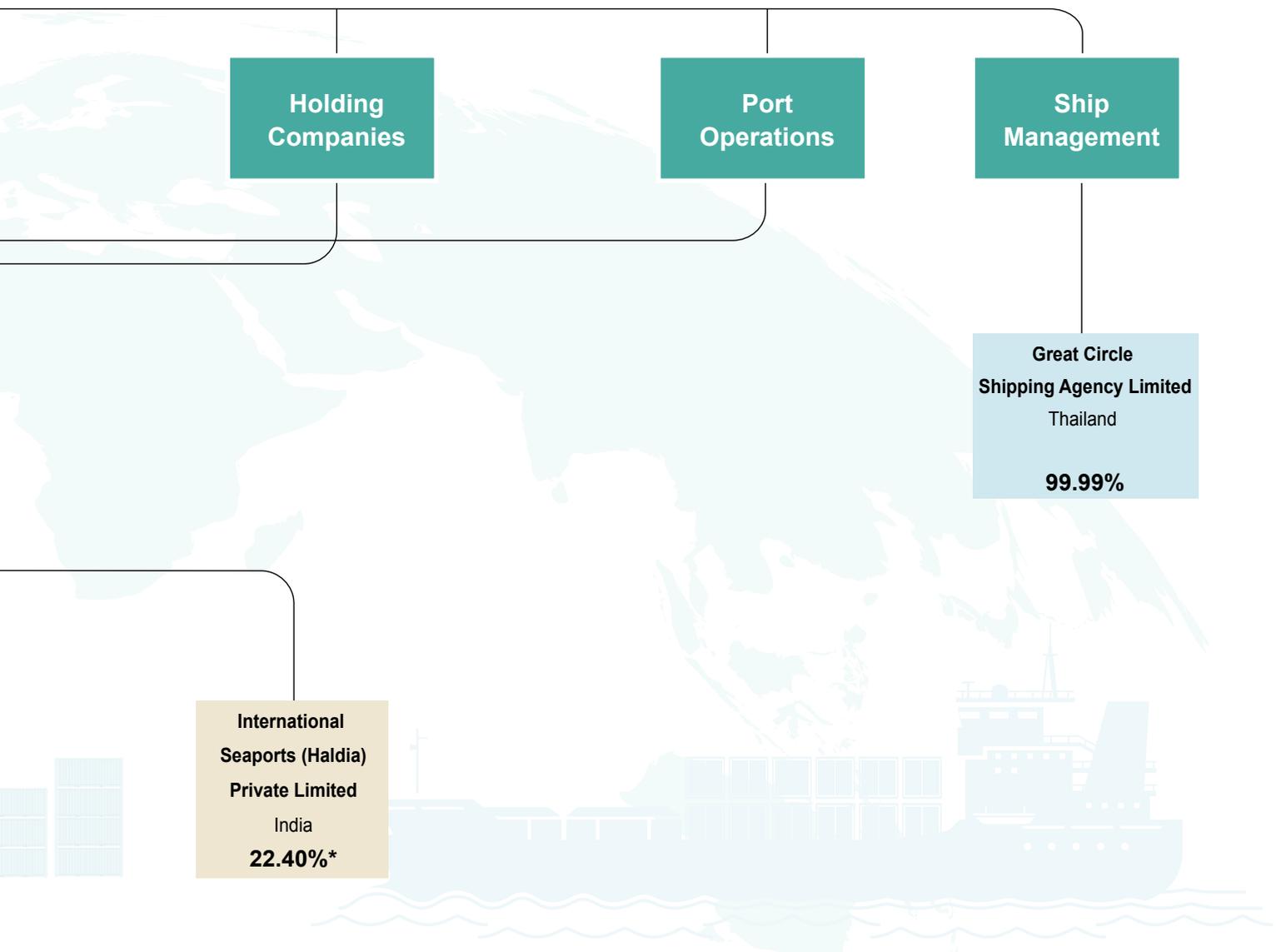
Remarks * Net Book Value is as per US Dollars (functional currency) financial statements as on 31 December 2022.
 ** Insured Value means agreed value to be received from the insurer in case of total loss of the Vessel.



CORPORATE STRUCTURE



* Represents indirect ownership of PSL



Holding Companies

Port Operations

Ship Management

**Great Circle
Shipping Agency Limited**
Thailand
99.99%

**International
Seaports (Haldia)
Private Limited**
India
22.40%*

Legend

Name of Company.
Country of Incorporation.
Percentage of
Ownership.



CORPORATE INFORMATION

(As of 31 December 2022)

Name of Company	Precious Shipping Public Company Limited
SET Symbol	PSL
Business	Shipowner and Holding Company
Registration No.	0107537000629
Date of establishment	1 December 1989
Date of conversion to public limited company	18 February 1994
Date of listing on the SET	16 September 1993
Registered address	8 North Sathorn Road, G, 7 th , 8 th , 9 th Floors, Silom, Bangrak, Bangkok 10500 Thailand
Contact details	Telephone: 66-2 696-8800 Facsimile: 66-2 236-7654 E-mail: ir@preciousshipping.com Home page: http://www.preciousshipping.com
Latest Company Rating	BBB by TRIS Rating Co., Ltd., announced on 25 October 2022

Ordinary Shares

Authorized share capital	Baht 1,559,291,862 (1,559,291,862 shares of Baht 1 each)
Issued and fully paid-up share capital	Baht 1,559,291,862 (1,559,291,862 shares of Baht 1 each)

Share Registrar

- **THAILAND SECURITIES DEPOSITORY CO., LTD.**
No. 93, Ratchadaphisek Road, Dindaeng Subdistrict, Dindaeng District, Bangkok 10400
Telephone: 66-2 009-9000 Facsimile: 66-2 009-9991
Call Center: 66-2 009-9999
E-mail: contact.tsd@set.or.th
Website: <http://www.tsd.co.th>

Main Banks

- **KRUNG THAI BANK PUBLIC COMPANY LIMITED**
No.10, Sukhumvit Road, Klongtoey Subdistrict, Klongtoey District, Bangkok, 10110
Telephone: 66-2 208-7000, 8000 Facsimile: 66-2 255-9391-3
Website: <http://www.ktb.co.th>
- **KASIKORNBANK PUBLIC COMPANY LIMITED**
1 Soi Kasikornthai, Ratburana Road, Bangkok 10140
Telephone: 66-2 888-8800 Facsimile: 66-2 888-8882
Website: <http://www.kasikornbank.com>
- **EXPORT-IMPORT BANK OF THAILAND**
EXIM Building, 1193 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok 10400
Telephone: 66-2 271-3700 Facsimile: 66-2 271-3204
Website: <http://www.exim.go.th>
- **INTERNATIONAL FINANCE CORPORATION**
Siam Piwat Tower, 28th Floor, 989 Rama1 Rd., Patumwan, Bangkok 10330
Telephone: 66-2-686-6568
Website: www.ifc.org

- **CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK**
12, place des Etats-Unis, CS70052, 92547 Montrouge Cedex, France
c/o Credit Agricole Asia Shipfinance Limited
27th Floor, Two Pacific Place, 88 Queensway, Hong Kong
Telephone: +852 2848 9906
Facsimile: +852 2868 1448
Website: www.ca-cib.com

- **BANGKOK BANK PUBLIC COMPANY LIMITED, SINGAPORE BRANCH**
180 Cecil Street, Bangkok Bank Building, Singapore 069546
Telephone 65 6410 0400
Website: <https://www.bangkokbank.com/en/International-Banking/Asean/Singapore-Business-Banking>

- **TMBTHANACHART BANK PUBLIC COMPANY LIMITED**
3000 Phahonyothin Rd. Khwang Chomphon,
Khet Chatuchak, Bangkok 10900
Telephone 66 2242 3380
Website: <https://www.ttbank.com>

Auditor

- **EY OFFICE LIMITED**
33rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road,
Klongtoey District, Bangkok 10110
(Opposite Benjakitti Park / Near Queen Sirikit National Convention Centre)
G.P.O. Box 1047, Bangkok 10501, Thailand
Telephone: 66-2 264-9090 Facsimile: 66-2 264-0789
E-mail: EY.Thailand@th.ey.com

Main Legal Counsel

- **Thanathip & Partners Legal Counsellors Limited**
17th Floor, Tonson Tower 900 Ploenchit Road
Lumpini, Pathumwan, Bangkok 10330
Telephone: 66-2 089 8902
E-mail: info@thanathippartners.com
Website: <https://www.thanathippartners.com>

NAME AND CATEGORY OF SUBSIDIARIES AND ASSOCIATED COMPANIES IN WHICH THE COMPANY HOLDS MORE THAN 10% OF THEIR SHARES

Sr No.	Name of Subsidiaries and Associated Companies	Currency	Registered Capital	Issued and paid-up Share Capital	Percentage of Shareholding	Category of business
1	Precious Metals Limited	Baht	275,000,000	275,000,000	99.99	Shipowner
2	Precious Wishes Limited	Baht	230,000,000	230,000,000	99.99	Shipowner
3	Precious Stones Shipping Limited	Baht	260,000,000	260,000,000	99.99	Shipowner
4	Precious Minerals Limited (under liquidation process)	Baht	230,000,000	230,000,000	99.99	Shipowner
5	Precious Lands Limited	Baht	306,000,000	306,000,000	99.99	Shipowner
6	Precious Lakes Limited	Baht	184,000,000	184,000,000	99.99	Shipowner
7	Precious Oceans Limited	Baht	175,000,000	175,000,000	99.99	Shipowner
8	Precious Planets Limited	Baht	270,000,000	270,000,000	99.99	Shipowner
9	Precious Diamonds Limited (under liquidation process)	Baht	205,000,000	205,000,000	99.99	Shipowner
10	Precious Sapphires Limited	Baht	144,000,000	144,000,000	99.99	Shipowner
11	Precious Emeralds Limited	Baht	366,000,000	366,000,000	99.99	Shipowner
12	Precious Rubies Limited	Baht	259,360,000	259,360,000	99.99	Shipowner
13	Precious Opals Limited	Baht	249,360,000	249,360,000	99.99	Shipowner
14	Precious Garnets Limited (under liquidation process)	Baht	379,000,000	379,000,000	99.99	Shipowner
15	Precious Pearls Limited	Baht	173,000,000	173,000,000	99.99	Shipowner
16	Precious Flowers Limited	Baht	336,000,000	336,000,000	99.99	Shipowner
17	Precious Forests Limited	Baht	286,000,000	286,000,000	99.99	Shipowner
18	Precious Trees Limited	Baht	202,000,000	202,000,000	99.99	Shipowner
19	Precious Ponds Limited	Baht	124,000,000	124,000,000	99.99	Shipowner
20	Precious Ventures Limited	Baht	202,000,000	202,000,000	99.99	Shipowner
21	Precious Capitals Limited (under liquidation process)	Baht	200,000,000	200,000,000	99.99	Shipowner
22	Precious Jasmines Limited	Baht	567,000,000	567,000,000	99.99	Shipowner
23	Precious Orchids Limited	Baht	217,000,000	217,000,000	99.99	Shipowner
24	Precious Lagoons Limited	Baht	140,000,000	140,000,000	99.99	Shipowner
25	Precious Resorts Limited (under liquidation process)	Baht	140,000,000	140,000,000	99.99	Shipowner
26	Precious Comets Limited	Baht	141,000,000	141,000,000	99.99	Shipowner
27	Precious Ornaments Limited	Baht	156,000,000	156,000,000	99.99	Shipowner
28	Precious Moons Limited (under liquidation process)	Baht	1,000,000	1,000,000	99.99	Shipowner
29	Precious Venus Limited	Baht	298,800,000	298,800,000	99.99	Shipowner
30	Precious Neptune Limited	Baht	298,800,000	298,800,000	99.99	Shipowner

Sr No.	Name of Subsidiaries and Associated Companies	Currency	Registered Capital	Issued and paid-up Share Capital	Percentage of Shareholding	Category of business
31	Great Circle Shipping Agency Limited	Baht	210,000,000	210,000,000	99.99	Manager of Ships
32	Precious Shipping (Singapore) Pte. Limited	SGD	20,000,000	15,000,000	100	Holding company/ Chartering
33	Precious Comforts Pte. Ltd.	SGD	150,000	150,000	100*	Shipowner
34	Precious Sparks Pte. Ltd.	SGD	150,000	150,000	100*	Shipowner
35	Precious Visions Pte. Ltd.	SGD	280,000	280,000	100*	Shipowner
36	Precious Bridges Pte. Ltd.	SGD	150,000	150,000	100*	Shipowner
37	Precious Forests Pte. Ltd.	SGD	150,000	150,000	100*	Shipowner
38	Precious Fragrance Pte. Ltd.	SGD	150,000	150,000	100*	Shipowner
39	Precious Thoughts Pte. Ltd.	SGD	150,000	150,000	100*	Shipowner
40	Precious Tides Pte. Ltd.	SGD	150,000	150,000	100*	Shipowner
41	Precious Skies Pte. Ltd.	SGD	150,000	150,000	100*	Shipowner
42	Precious Glories Pte. Ltd.	SGD	150,000	150,000	100*	Shipowner
43	Precious Wisdom Pte. Ltd.	SGD	150,000	150,000	100*	Shipowner
44	Precious Grace Pte. Ltd.	SGD	150,000	150,000	100*	Shipowner
45	Associated Bulk Carriers Pte. Ltd.	USD	2	2	100	Holding company
46	ABC ONE Pte. Ltd.	USD	150,000	150,000	100*	Shipowner
47	ABC TWO Pte. Ltd.	USD	150,000	150,000	100*	Shipowner
48	ABC THREE Pte. Ltd.	USD	150,000	150,000	100*	Shipowner
49	ABC FOUR Pte. Ltd.	USD	150,000	150,000	100*	Shipowner
50	Precious Shipping (Panama) S.A.	USD	10,000	10,000	99.99	Shipowner/ Chartering
51	Precious Shipping (UK) Limited	USD	10,000	10,000	100	Chartering
52	International Seaports (Haldia) Private Limited	Indian Rs	445,000,000	440,580,200	22.40*	Berth Operator

*(represents indirect ownership of shares)

REGISTERED OFFICE ADDRESS OF SUBSIDIARY AND ASSOCIATED COMPANIES ARE AS FOLLOWS:

SUBSIDIARY 1-30	Registered Office is at 8/27-28, 7 th Floor, Cathay House, North Sathorn Road, Silom, Bangrak, Bangkok 10500 Thailand. Tel : 66-2 696-8800 Fax : 66-2 236-7654, 633-8460
SUBSIDIARY 31	Registered Office is at 8/35 Cathay House, North Sathorn Road, Silom, Bangrak, Bangkok 10500 Thailand. Tel : 66-2 696-8900 Fax : 66-2 237-7842, 633-8468
SUBSIDIARY 32-49	Registered Office is 20 McCallum Street, #19-01 Tokio Marine Centre, 069046 Republic of Singapore.
SUBSIDIARY 50	Registered Office is at c/o ADR Building, 13 th Floor, Samuel Lewis Avenue, Republic of Panama.
SUBSIDIARY 51	Registered Office is at 130 Shaftesbury Avenue, 2 nd Floor London W1D 5EU United Kingdom.
ASSOCIATE 52	Registered Office is at 105, Park Street, Flat No. 27 Kohinoor Building, 5 th Floor, Kolkata - 700 016, West Bengal, India.



MAJOR SHAREHOLDERS AND DIVIDEND POLICY STATEMENT

Major Shareholders per share register as on 31st December 2022 and 2021

No.	Name	As on		As on	
		31 st December 2022		31 st December 2021	
		No. of shares	Percentage	No. of shares	Percentage
	Globex Corporation Limited	442,857,535	28.40%	442,857,535	28.40%
	Graintrade Limited	130,086,266	8.34%	130,086,266	8.34%
	Ms. Nishita Shah *	108,054,537	6.93%	108,054,537	6.93%
	Unistretch Limited	11,465,009	0.74%	11,465,009	0.74%
	Eastern Energy Pte Ltd.	555,000	0.04%	555,000	0.04%
1	Total shares owned by and under control of the Shah Family ** / ***	693,018,347	44.45%	693,018,347	44.45%
2	Thai NVDR Limited	150,212,693	9.63%	176,104,228	11.29%
3	Mr. Khalid Moinuddin Hashim (121,386,275 shares held under Bank Julius Baer & Co. Ltd, Singapore, and 140,000 shares held under Thai NVDR Limited)	121,526,275	7.79%	121,526,275	7.79%
4	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	34,324,059	2.20%	20,503,893	1.31%
5	Krungsri Dividend Stock LTF-D	33,707,800	2.16%	20,766,900	1.33%
6	STATE STREET EUROPE LIMITED	26,326,318	1.69%	36,870,900	2.37%
7	BANQUE PICTET & CIE SA	14,428,500	0.93%	14,756,100	0.95%
8	Krungsri Dividend Stock Fund	13,561,900	0.87%	-	0.00%
9	Krungsri Dividend Stock RMF	11,291,700	0.72%	-	0.00%
10	DBS BANK LTD. AC DBS NOMINEES-PB CLIENTS	10,502,900	0.67%	-	0.00%
11	Other shareholders (apart from the Top Ten shareholders as mentioned above)	450,391,370	28.89%	475,745,219	30.51%
Grand total		1,559,291,862	100.00%	1,559,291,862	100.00%
		Total : 17,614 shareholders		Total : 16,679 shareholders	

- Ms. Nishita Shah who is the Director of the Company is also the Shareholder of Globex Corporation Limited, Graintrade Limited and Unistretch Limited
- ** The Shah Family comprises of (i) Ms. Nishita Shah, (ii) Ms. Sameera Shah, (iii) Mr. Ishaan Shah, and (iv) Mrs. Anjeli Kirit Shah.
- *** No shareholder agreement between the Shareholders Nos. 1 and 3

Dividend Policy Statement

“The Company’s dividend policy approved by the Annual General Meeting of Shareholders No. 1/2004 dated 30th April 2004 is to pay out not less than 25% of Net Profits after taxes and appropriation to any reserves required by law. Upon approval by the Board of Directors, the annual dividend payout is to be presented to the shareholders’ annual general meeting for approval. As regards the interim dividend, however, the Board is authorised to pay it and then report the payout at the next shareholders’ general meeting.”



RISK MANAGEMENT AND SIGNIFICANT RISK FACTORS

1. RISK MANAGEMENT POLICY

The Company recognizes the importance of Risk Assessment as a tool to preemptively indicate signals of events that if unchecked, could result in a loss to the Company. The Company's risk management policy, governed by its Vision and Values, covers all potential risks that could impact its business. The Company strives to proactively manage all internal and external risks that could disrupt its business. The Company has implemented internal control systems and a risk management framework in accordance with the recommendations of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) to ensure that operations are conducted efficiently and within risk parameters acceptable to the Company. The Board of Directors has set the policy and framework of Risk Management by considering the probability and the likely impact of a range of risks that can adversely impact the business. They also particularize a list of preventive and mitigation measures, establish reporting structures and monitoring procedures to pick up on any early warning signs of potentially adverse events.

The Company emphasizes the importance and value of risk management and has formed the following risk governance structure to proactively monitor potential risks across the organization and to ensure that risk assessments are performed regularly.

- The Board of Directors is responsible for overseeing risk within the Company.
- The Executive Board of Directors is responsible for preparing and reviewing policy and guidelines for risk management and monitoring the management to ensure the efficiency of the Company's risk management system.
- The Sustainability and Risk Management Committee ensures that business risks are identified as well as monitored on an on-going basis and that effective mitigation measures are in place.
- The Audit & Corporate Governance Committee is responsible for reviewing the risk management system of the Company and recommending improvements on a regular basis.
- The Director (Finance) and the Director (Technical) are responsible for monitoring operational risks and working with other executives to develop and implement strategies for managing those risks. They may also be involved in identifying potential risks and developing plans for responding to them, as well as continuously improving the organization's risk management processes and procedures. The results of risk assessment for various activities are reported periodically to the Executive Board of Directors, the Sustainability and Risk Management Committee, and the Board of Directors for their consideration.
- All executives and staff in each department are responsible for assessing and monitoring the respective risks at the operational level.

2. SIGNIFICANT RISK FACTORS

Operating in a global and competitive environment exposes the Company to a wide range of risks including strategic risks related to the overall direction and competitiveness of the company, operating risks related to the day-to-day operations of the business, compliance risks related to adherence to laws and regulations, financial risks related to the company's financial performance and stability, and investor risks related to the potential impact on shareholders and other stakeholders. The Company has put in place an enterprise risk management system to identify, assess and mitigate these risks.

In view of the cyclical nature of the Dry Bulk Shipping Market, the Company additionally identified and categorized a special risk associated with maintaining and expanding capacity, which has been classified as **"Capacity Replacement and Expansion Risk"**. The Company continues to be exposed to this risk until the Company's stated objectives in this respect are fully achieved as the company might strategically grow or even reduce the fleet in the future, depending on the shipping cycle.

2.1 STRATEGIC RISK

2.1.1 The risk of increased supply side competition: In addition to operating in a highly regulated environment, the Company competes with similar service providers from all over the world. It is possible that an adverse supply-demand balance could adversely affect our profitability. Having a high-quality fleet is vital to meeting the needs of our clients and so the Company constantly looks for opportunities to strategically expand our fleet and make it more fuel efficient. In addition, the Company strives to implement the latest technological advancements and the industry's best practices to compete effectively.

2.1.2 The risk associated with disruptive regulatory changes: Since shipping is a highly regulated industry, regulatory and compliance costs to meet environmental targets are one of the biggest risks to the shipping industry in the next few years. Various national governments and international regulatory bodies have begun requiring that more stringent environmental regulations be applied to vessels. As a result, there is a risk that soon after the delivery of a newbuild vessel, new regulations may come into force that would render such newbuild vessel obsolete or uncompetitive. Non-compliance or violations of laws and regulations and the failure to comply with any one or more of such laws and/or regulations could expose the Company to penalties, legal action against the Company and its senior management, downgrading of vessel ratings, vessel detention or other regulatory restrictions.

Our Technical Management team and International Safety Management team work proactively to evaluate compliance risks and any potential regulatory risks pertaining to the shipping business.

2.1.3 The risk from government policies or related agencies: Government policies can have a direct impact on shipping. Changing government policies can have a negative impact on the operations of the Company, including those relating to the taxation of shipping Income and freight, import and export duties, port taxes, trade policies and protectionism.

2.1.4 Emerging Risks: The Company is aware of emerging risks that may impact its business if not proactively managed. The Company also strives to identify and assess the impact of such risks. The emerging risks that could affect the Company's business over the next five years and beyond are as follows:

(A) The risk of economic slowdown: The impact of the property crisis in China, continuing travel restrictions due to Covid 19 outbreaks and disruption of trade due to the Russia-Ukraine war have an adverse impact on the world economy and the dry-bulk freight market in particular. Adding to this unholy mix is the problem of high inflation, which central banks have chosen to address by raising interest thus curtailing demand and trade. All of these factors collectively could adversely affect our profitability.

(B) The decarbonization challenge: Global pollution is a major threat to the survival of our planet, and the shipping industry is a significant contributor to greenhouse gas emissions. The shipping industry is responsible for a significant portion of global emissions of pollutants such as carbon dioxide, which contribute to climate change. The Paris Agreement, which was adopted in 2015, aims to limit global warming to well below 2 degrees Celsius, and to pursue efforts to limit warming to 1.5 degrees Celsius.

COP27 highlighted that the shipping sector was not on track to achieve these targets and that the action plan fell short of what was needed to limit warming to 1.5 degrees. It is essential that the shipping industry takes steps to reduce its emissions and to decarbonize its operations in order to meet these targets and prevent further damage to our planet.

It is imperative that the shipping industry takes action to reduce emissions to meet its decarbonization targets. However, a significant amount of uncertainty surrounds projected carbon reduction trajectories for companies committed to decarbonization because of the uncertainty over future propulsion and technology. The transition to more sustainable and zero-carbon fuels is crucial for the shipping industry to meet its decarbonization goals, but the production and availability of these fuels is still in its early stages. Additionally, currently, there is no commercially viable green fuel that can substitute heavy fuel oil. Therefore, the extent and speed of decarbonization by the industry may have a significant impact on our business strategy and operations in the future.

(C) Climate-Change Risk – We recognize that climate change is the most pressing issue of our time, and we are determined to take stronger steps to manage climate-change risks. It is likely that governments and regulators around the world will enact more stringent regulations to control emissions in coming years, which may affect the operations of the Company. Furthermore, extreme climate and weather events pose a serious threat to our crew and assets. A comprehensive analysis of the risks and opportunities posed by climate-change is provided in the “**Task Force on Climate Related Financial Disclosures (TCFD) Report**”.

(D) The risk from geopolitics and political instability: Shipping is exposed to geopolitics, and geopolitical events may adversely impact international maritime trade and vessel movements. Changes in the economic and political environment of major trading nations may have a significant impact on demand for dry bulk cargoes. Trade in regions that are engulfed in conflict can have a significant adverse impact on the shipping industry. These conflicts can result in increased risks for crew members, as ships may be targeted or detained in areas of conflict. Additionally, the increased risk of piracy and other forms of violence can raise the cost of insurance and other security measures. Furthermore, the increased risk of war or other hostilities can also lead to higher fuel costs and other expenses, which can result in higher operating costs for shipping companies. A prolonged conflict might have further repercussions, including an impact on demand for various commodities. A more stringent sanctions regime against certain countries can make compliance challenging, and violations can result in severe penalties and consequences for ship owners and counterparties.

The company’s ships operate in international waters and are spread out globally, reducing the risk of geographical concentration in their market and customer base. This means that any major negative changes in a specific region, such as war or political action, should not significantly affect the company’s revenues. However, changes in the economic or political environment of major trading nations may still impact the company’s revenues.

(E) The risks associated with disruptive technological advancements in the shipping industry: The shipping industry, as with all other industries in the present day, is susceptible to the advent of disruptive technological advancements. New technologies are being developed and adopted at the fastest rate in history. Given the pace of rapid technological advancement, the Company is exposed to the risk that a disruptive technology would render the Company’s vessels obsolete in the early stages of its economic life.

(F) Cyber-security risks: The shipping industry has become more susceptible to cyber-attacks due to increased automation and digitalization. The Company relies on information systems to transmit and store data which includes confidential and valuable information. Covid-19 accelerated the Company’s effort to move towards further digitalization and technological advancement while transitioning to remote work. However, remote working by its employees has significantly increased the risk of cyber and phishing attacks. Thus, the Company is exposed to cyber security threats and unauthorized access to the Company’s information technology systems. Failure of the IT system could disrupt its operations. In addition, a security breach could result in reputational damage, legal actions, or financial liability. Therefore, the Company strives to implement consistent mitigation policies aiming to avoid any such IT hazards. The Company has taken the following measures to combat and mitigate cyber security risks:

- 1) Promote employee awareness of technology use through training programs to ensure employees have knowledge and understanding of how to use technology effectively and to prevent the business from cyber threats. A test on employee awareness and understanding about IT’s policy and cybersecurity is also organized on an annual basis.
- 2) IT policy outlining preventive measures to protect and safeguard its information technology systems in business operations from possible cyber risks and threats.
- 3) Next generation firewall protection that restricts malicious internet traffic.
- 4) Latest virus and malware protection programs to protect its data.

- 5) Spam filtering and virus protection on all inbound and outbound emails. Using a reliable and secure email hosting provider that meets the standard and provide top notch security.
- 6) A data backup policy to ensure data recoverability in the event of a system outage or a cyber-attack.
- 7) The Company employs the services of a third-party firm which carries out a comprehensive vulnerability assessment and conducts penetration tests of its IT network to safeguard against cyber threats.

2.2 OPERATING RISK

2.2.1 Market Risks: The shipping market is known for its cyclical as well as seasonal nature, which can lead to fluctuations in profitability, vessel values and freight rates. These fluctuations are further exacerbated by changes in the supply of and demand of dry-bulk shipping capacity, congestion and competition from allied sectors such as container ships. This has been explained in the section on “**Nature of Business and Industry**” of this Report. A significant proportion of the Company’s fleet has earnings linked to the Baltic Handysize or Supramax market indices which results in higher profitability when markets are strong while also exposing the Company to lower earnings when markets are weak. The degree of charter hire fluctuation varies by ship size and type, with large ungeared ships having the most volatile earnings. As most of our ships are in the small geared sector (Handy, Supramax and Ultramax) of the industry, the Company is partially immune to such volatility. The Company believes that with all its ships being in the geared sector of the industry, there is a fundamental advantage of diversified demand and hence there is some downside protection against the cyclical nature of the business.

The demand side of the Company’s business is generated by the quantity of cargo its vessels are required to transport. The generation of this demand is mainly dependent on world trade and economic growth. Slower economic growth and trade could reduce the demand for ships. In particular, a prolonged slowdown in the infrastructure and property sector of a major economy such as China which contributes around of 50% of global dry-bulk tonne mile demand, could have an outsized impact on the demand for dry-bulk vessels. The global economy is projected to grow at 2.9 percent in 2023 and at 3.1 percent in 2024. The forecast for 2023 is below the historical average (2000-19) of 3.8%. Increasing central bank rates to combat inflation and the Russia-Ukraine war continue to weigh on global economic activity. The global inflation rate is expected to fall from 8.8% in 2022 to 6.6% in 2023 and 4.3% in 2024, still above pre-pandemic levels of about 3.5%.

The increasing trend of protectionism could lead to a reduction in global trade volumes. Equally, an escalation of international hostilities, particularly between major economies, could result in increased volatility, crimping business spending and thereby affecting demand for shipping. The Company is exposed to the risk of reduced earnings and/or fall in asset values if there is any downturn in the market.

Traditionally, clients in the smaller ships sector did not take ships on long-term contracts and preferred to do the majority or all their business only on the spot market. This situation changed intermediately between the Years 2004 and 2009, because of the increase in freight market volatility, leading to a change in strategy of the Company as well as that of its clients. Since then, the Company has been fixing a portion of its fleet on longer-term charters, keeping the Company insulated somewhat from the volatility of the spot markets and ensuring visibility and stability in its revenue stream. In the Company’s opinion, given the uncertainty and the extreme volatility in the market, where rates can shoot up or collapse very quickly, it is always prudent to “lock-in” future earnings at reasonable freight rates whenever possible, as a cushion against a sudden and, more particularly, sustained collapse of the freight rates in the spot market. This strategy was vindicated with the Company’s earnings outperforming the market in the volatile market circumstances in the past.

The strategy of locking in future earnings via long-term contracts (Long period Time Charters) at high rates when the markets are performing well exposes the Company to counterparty risk. In case of a fall in the market and consequent fall in freight rates, the Company’s customers (charterers) with whom the Time Charters are signed could default on their obligations, because of which, the Company will not

be able to achieve the higher contracted freight rates and would be forced to contract these ships in a depressed market when rates would be lower. The Company is always conscious of the counterparty risk associated with its Time Charters and accordingly takes steps in analyzing the counterparty risk of its potential charterers, particularly those with whom the Company signs longer Time Charters, and such contracts (charters) are signed only with first class charterers with the highest possible credit rating. It is for this reason that right through the depressed market, the Company did not suffer any losses on account of defaults by the Company's charterers and even during the current weak period, there has been no default on any of the Company's long-term charters.

The Company's revenues for its dry-bulk vessel fleet are generated from a range of customers and therefore the Company is for the most part, not dependent on any single customer for its revenue stream. As such, it can be said that the Company is not exposed to concentration risk for its dry-bulk fleet and so a loss of business from one customer shall not have a significant impact on the Company's business. That said, the risk profile of the Company's four cement carriers is different in that all these vessels are chartered to a single customer, under long term charters which will cover the useful life of these vessels. For 2022, the income from this one major customer was Baht 902.16 million equivalent to 10% of total net vessel operating income of the Group (2021: Baht 813.78 million equivalent to 10% total net vessel operating income of the Group). To mitigate counterparty risk, the Company conducted due diligence of this customer and ensured that this customer was financially capable of meeting its obligations under the long-term charters. The significance of this customer increased during the extremely weak market of the recent past because income from this customer is fixed in nature under long term charters, whereas the rest of the Company's revenues weakened along with the prolonged cyclical decline in the Shipping Market.

2.2.2 The risk of accidents: The Company, as an owner and operator of ocean-going vessels operating world-wide in the tramp trade, is exposed to risks of marine disaster, environmental mishaps resulting in substantial claims, cargo/property loss or damage and business interruptions due to accidents or other events caused by mechanical failure, human error, political action in various countries, labor strikes, terrorist actions, piracy, adverse weather conditions and other such circumstances and events. These could result in increased costs, loss of revenues and/or loss of assets. However, to cover against most of these risks, which are standard for an international shipowner/operator, insurance covers are available in the international marine insurance market. Accordingly, the Company is adequately covered against such aforesaid circumstances and events.

2.2.3 Environmental Risks: The operations of the Company depend on extensive and changing environment protection laws and other maritime regulations. Non-compliance of international regulations risks detention of vessels, leading to loss of time, which would lead to loss of revenues or claims from charterers. However, the Company is vigilant on these issues and maintains internationally prescribed safety and technical standards apart from relevant insurance covers.

An important regulation that was put into force on 1 January 2020, was the IMO 2020 Sulphur cap regulation under which all ocean-going vessels are required to consume low Sulphur fuel oil to power their diesel engines and boilers. As an alternative to burning low Sulphur fuel oil, some Shipowners have installed scrubbers on board their vessels, enabling them to continue burning the lower grade high Sulphur fuel oil. Scrubbers perform the function of cleaning the main engine exhaust gases but result in the production of toxic wash-water. In most cases, this toxic wash-water is discharged into the sea, effectively transferring pollution from the air into the ocean. Given the harmful impact of this toxic wash-water on marine life, most major trading nations have banned the discharge of this wash-water in their harbors, thereby nullifying much of the economic benefit derived from this equipment. The Company has chosen to implement the IMO 2020 Sulphur regulation by burning compliant low Sulphur fuel oil rather than installing scrubbers. This decision was vindicated for two main reasons. Firstly, there continued to be an increased frequency of breakdowns associated with scrubbers which impacted vessel operations and therefore the earnings of vessels which have installed this equipment. Secondly, most major trading nations banned the discharge of wash-water from open-loop scrubbers, rendering them inoperable much of the time when they reached or were in most ports.

Non-compliance with any environmental laws and regulations or emission standards may result in penalties causing financial loss and damage to the Company's reputation. Its commitment to environmental protection has been formalized in its Environmental Policy, which is based on ISO standards along with established internal guidelines that outline its efforts to address environmental issues throughout its business activities. The Company promotes the use of new technologies and innovation to help reduce its environmental impact. For instance, the Company replaced several older and less fuel-efficient vessels between 2013 and 2017 with "eco-vessels" equipped with large cargo hauls and lower fuel consumption because of better hull lines, lower lightship, and efficient electronically controlled engines. The Company is also a member of the Getting to Zero Coalition aiming to explore commercially viable zero-emission fuels.

The Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII) regulations came into force in 2023. Starting January 1, all vessels are required to calculate their intensity and report on their environmental efficiency. To comply with these regulations, vessels must meet certain efficiency targets. Vessels may face additional regulatory requirements and/or penalties if it fails to meet the required EEXI targets, and this may result in some of the Company's vessels getting poor environmental ratings and consequently impact its ability to charter these affected vessels at competitive rates. The hull and machinery of every commercial vessel must be classed by a classification society authorized by its country of registry. The classification society certifies, by periodical surveys, that a vessel is maintained as per the required standards and that the vessel complies with the applicable rules and regulations. Based on satisfactory surveys, the classification society issues trading certificates which permit the vessel to operate worldwide. A vessel must undergo annual surveys, drydocking and special surveys. The machinery would be surveyed periodically over a five-year period. Every vessel is also required to be drydocked every 30 to 36 months for inspection of the underwater parts of the vessel. If any vessel does not maintain its class and/or fails any annual survey, drydocking or special survey, the vessel will become uninsurable and unemployable in international waters. Any such failure to comply could have a material adverse impact on the Company's financial condition and results of operations.

2.2.4 The risk of skill shortages and loss of key personnel: Human resource management is important for a company's success because it helps ensure that the company has the right people with the right skills to meet its business objectives. Key risk factors include having a workforce which is under qualified and the loss of key personnel. This can happen if the company is not able to effectively recruit and retain qualified individuals. To manage this risk, the company should focus on hiring, compliance, employee growth and recruiting qualified specialists and talents. The operations of vessels and the management of the Company as a public company listed on the Stock Exchange of Thailand requires skilled personnel to be employed as crew to operate its vessels and skilled managers to be employed at the corporate level with appropriate knowledge and experience. Sourcing and retaining qualified personnel is crucial for the business operations of the Company. A lack of skilled employees or skill shortages may negatively impact the Company's business resilience and growth. In addition, losing key personnel can significantly impact the performance, productivity, and business prospects of the Company. The Company mitigates these risks through the adoption of a fair staffing policy and has thus far been quite successful in sourcing and retaining highly skilled and qualified personnel. In addition, the Company continues to take several initiatives including the establishment of a detailed Succession Plan to attract and retain talent, and therefore does not expect any future cause for concern in this regard, although international shipping continues to face a shortage of experienced crew, particularly in the officers' cadre, required on board the vessels.

2.2.5 Supply chain related risks: Managing supply chain and logistics of stores and spare parts is crucial for ensuring our vessels' performance, compliance with technical requirements imposed by regulating authorities and minimizing operating costs. Any stockouts could have an adverse impact on the Company's operations. Therefore, the Company's maintenance planning and inventory management by its technical department ensures efficient sourcing and delivery of the required parts onboard to minimize any stockouts and operational risks.

2.2.6 The risk of fluctuations in the price of fuel: The Company is not directly exposed to any risk of increased costs due to fluctuations in international oil prices. Whenever the fuel costs are on the Company's account (in case of a Voyage Charter), the increase/decrease in oil price is passed on to the Customers since the freight rates are quoted and charged after incorporating the increased/decreased fuel cost which is booked at the time of securing the business. In case the business is done on a Time Charter, the fuel cost is directly on the Customer's account.

2.2.7 The risk of failure or lack of proper control over the Company's systems or work processes: Non-compliance with the Company's own procedures (SOPs) and policies poses a huge risk to its operations. Failure of internal controls, SOPs and work processes exposes the Company to the risk of fraud, loss of assets and/or non-compliance with laws and regulations. To manage these risks, the Company strives to identify opportunities to improve its internal processes and keep its policies up to date in line with the best industry practices.

2.2.8 The risk that all losses will not be covered by insurance: Although the Company has different insurance policies relating to the operations of the Company in order to mitigate the risks arising from the loss or damage to the assets of the Company, there is still a risk that the policy will not cover certain losses and/or third-party claims.

2.2.9 Human rights risk: The Company is subject to various labor, human rights, safety and local laws or regulations. The Company's Business Ethics and Code of Conduct outlines its values regarding Human and Labor Rights which it has embedded into its corporate practices and systems. It states the guiding principles on respecting human rights of every individual as well as treat everyone fairly in every stage of recruitment starting from selection, remuneration payment, working hours and job holidays, assignment, performance appraisal, learning and development, career path planning and others without discrimination.

A breach of these laws or regulations can affect the operations of the Company. The Company has created policies which serve as a guideline for employees, to ensure that these laws or regulations are not breached.

2.2.10 Social risk: The Company is also exposed to social and community risks which may affect its relationships with society and the communities around it. Certain actions or events may expose the Company to risks that may impact the relations of the Company at a community or societal level. Risks include health and safety of company workers, labor strife, human right violations, and corruption by company officials.

Fostering a culture of safety is integral to the long-term success of its business. The Company invests considerable resources in training crews, developing guidelines, and monitoring compliance to ensure that operations are carried out with utmost safety.

Continuing changes in the work environment due to Covid 19 also pose challenges for the business. The Company has taken steps such as working from home, enhanced cleaning and disinfecting offices, travel restrictions and facilitating social distancing, to ensure safety and wellbeing of all employees.

2.3 COMPLIANCE RISK

2.3.1 Non-Compliance with laws and regulations: As a publicly listed company, the Company is required to comply with various laws and regulations and the failure to comply with any one or more of such laws and/or regulations could expose the Company to penalties and/or other legal action against the Company and its senior management. The Company remains vigilant on this issue and has taken adequate steps to employ qualified staff and has adopted adequate and effective systems to ensure full compliance with all laws and regulations as may be updated from time to time.

2.3.2 Non-compliance with charter parties: Regulations such as Carbon Intensity Indicators and Energy Efficiency on Existing Ships are expected to make compliance with charterparties more complex in the future, as shipowners and charterers are required to embrace new clauses to meet their environmental targets. A failure to comply with charter parties may result in financial claims, reputational damages, and can negatively impact client relationships.

2.3.3 Governance risk: The Company is committed to maintaining a harmonious relationship with all its stakeholders (workforce, community, governments etc.) and to address any concerns on a timely basis. The Company is also exposed to the risk that inadequate governance can adversely impact its operations and undermine investors' confidence. Its corporate governance structures ensure utmost transparency in reporting of operational and financial performance. The Company's business ethics and code of conduct policies are implemented to ensure that business is conducted via ethical governance framework.

2.3.4 Personal Data Protection and Privacy Risk: The Company is exposed to the risks associated with leak or misuse of personal data of its relevant individual stakeholders (employees, shareholders, clients, business partners, suppliers, and visitors etc.). The Company recognizes the importance of personal data protection and considers such data as a critical and invaluable asset. It also believes that data privacy of its individual stakeholders, involved in any area of the Company's business operations, is important and should be treated with utmost care. The Personal Data Protection Act (PDPA) came into force in June 2022, and the Company has already formalized its commitment to ensure personal data protection and privacy through its "**Personal Data Protection Policy**". The purpose of this Policy is to provide the appropriate framework for handling Personal Data and to ensure that there are sufficient security measures in place to protect and secure Personal Data which the Company is collecting, using, and disclosing in accordance with the PDPA and any related regulations thereof. The Company has also appointed a Data Protection Officer primarily to oversee and ensure that the Company's collecting, processing, or disclosing personal data of its individual stakeholders is following the Law and/or other applicable laws and regulations.

2.4 FINANCIAL RISK

Almost the entire Revenues and Expenses of the Company are denominated in US Dollars. Further, almost all the Fixed Assets of the Company, viz., ships, are US Dollar based assets since they are readily saleable in US Dollars in the International market. The Company's functional currency is determined to be US Dollars. Therefore, the Company is exposed to the risk of realizing a Foreign Exchange loss in respect of its Liabilities in any currency other than US Dollars. The US Dollar equivalent figure of such "non-USD" denominated debt may increase or decrease with a fluctuation in the respective exchange rate. In recognition of this risk, the Company has attempted to maintain least possible exposure in other currencies and accordingly always maintained US Dollar denominated credit facilities and loans. In cases where financing is in non-USD denominated debt, the Company enters into a cross currency swap or option contracts whereby the principal and/or interest of the debt are converted into US Dollars, thereby hedging the Foreign Exchange risk. The Company's hedging strategies may not be effective and may incur financial losses due to unfavorable exchange rate movements. The Company also maintains almost all its Bank balances in US Dollars, whereby there is no risk of realizing any loss on these balances in US Dollar terms. However, it must be noted that the Company is exposed to an exchange loss in Thai Baht terms on translation of its US Dollar denominated Assets, Liabilities, Income and Expenses, arising out of the Currency translation from US Dollars to Thai Baht in the Thai Baht Financial Statements and on the part of the expenses of the Company which are incurred in Thai Baht.

Several of the Company's debt facilities carry interest at floating rates and as such, the Company is exposed to fluctuations in its interest rates. Libor will be phased out completely by 30 June 2023. As a result, the Company will have to amend its LIBOR based credit facilities and interest rate swaps contracts. The Company expects the impact of this transition to be de minimis. The Company has in the past entered, and in the future may enter into, interest rate swaps to convert the interest portion of its debt from a floating to fixed rate, so as to hedge the risk of adverse interest rate movements. The Company's hedging strategies may not be effective and may incur losses due to unfavorable interest rate movements. In addition, its financial conditions and financial arrangements could be adversely affected to the extent of any unhedged exposure to interest rate movements.

The Company's Assets, i.e., ships, have a finite life and as and when the ships reach a certain age, they need to be sold for onward trading or recycling. If the Company wants to maintain capacity

in terms of fleet size, the Company must continuously follow a program to replace its recycled or sold vessels. Purchase of ships requires considerable funding, which may be through equity, debt, or both. If the Company is not able to raise the necessary funds required for the purchases of ships to maintain capacity, the Company's capacity will continuously deplete, and as such, the Company is exposed to a funding risk.

As explained under the caption "**Market Risk**" above, the market values of ships have generally experienced high volatility. Since declining ship values could breach the loan-to-value covenants in the Company's credit facilities and loans, resulting in demand by the lenders for prepayment of the outstanding loans and/or providing additional security, this could adversely affect the Company's liquidity and operational flexibility, thereby impacting its operating results.

Further, ships may also be undervalued due to the failure to recognize the valuation concept of a "willing seller and willing buyer" basis, (because of numerous distress sales in the market) which is a requirement as per the Company's loan agreements. If the value of the Company's ships falls below the minimum asset value required to be maintained under its loan agreements, its lenders may demand it to provide alternate security, deposit margin money or may demand prepayment of the relevant facility, as mentioned in the foregoing paragraph. If the Company is unable to pledge additional collateral to offset the decline in ship values, the lenders could accelerate its debt and foreclose on its ships pledged as collateral for the loans.

Further, the Company's current loan agreements include various conditions and covenants that may require the Company to obtain the lender's consent prior to carrying out certain activities and entering into certain transactions, including incurring additional debt, changing the capital structure, increasing or modifying capital expenditure plans, undertaking any expansion, providing additional guarantees, merging with or acquiring other companies, whether or not there is any failure by the Company to comply with the other terms of such agreements. Any failure to comply with the stipulated loan covenants may result in the Company's lenders calling upon the Company to repay the relevant facility or a part thereof on demand. If the Company breaches certain covenants, or an event of default occurs, the Company's lenders may also take possession of the relevant ship(s) which has been provided as security for such loan.

The loan agreements may also contain cross-default provisions whereby a default under one agreement could result in a default and acceleration of the Company's repayment obligations under other agreements, including those of its subsidiaries. If a cross-default were to occur, the Company may not be able to pay its debts or borrow sufficient funds to refinance them. Even if new financing were available, it may not be available on acceptable terms.

An economic shock, such as what happened soon after the world was afflicted by the Covid-19 Pandemic, could affect the Company's ability to access debt capital markets. Such restricted access to debt capital markets may adversely affect the company's ability to raise new finance or refinance its existing credit facilities and debentures. Higher inflation and rising interest rates may increase our borrowing costs and negatively affect our financial position.

2.5 INVESTOR RISK

Apart from the above risks which the Company is exposed to, an investor in the Company's shares or securities is also exposed to additional risks. The risks associated with such investment are explained hereunder as Investor Risk:

- The value of the stocks listed on the Stock Exchange of Thailand (SET) may fluctuate due to factors affecting the Thai Stock Market without any connection to the performance of the Company. Such factors affecting the Thai Stock Market could include political instability or political disturbances, slowdown in growth of the Thai economy, US Federal Reserve action, Trade Wars, withdrawal of economic stimulus by governments of key export markets, general slowdown in regional, Asian or other developed economies and so on.
- Since the investment in the equity shares is made in Thai Baht currency, the Investor is exposed to the exchange risk associated with the investment due to the fluctuation of the Investor's

investment currency as against the Thai Baht whereby the Investor may suffer a loss in the Investor's own investment currency terms if the Thai Baht depreciates against the same when the equity shares are sold and the proceeds thereof are remitted back to the Investor after converting the same into the Investor's investment currency.

- The Investor may suffer a loss on investment in the event one or more Thai laws pertaining to the investment are amended adversely. An example of such an adverse change in law would be imposition of taxes or other duties on the investment or sale of investment in equity shares.
- If the Thai Government introduces exchange controls on investment proceeds or on the repatriation of investment proceeds, the Investor's cost of the investment may increase and/or the Investor may not be able to repatriate the sale proceeds of the investment.
- Further, the Investor is exposed to additional risks like lower standards of Corporate Governance of the companies listed on the SET, insufficient legal checks and balances on company management, high proportion of concentrated shareholding with one individual or one group leading to unduly high control exercised by the individual or group, unavailability of qualified and experienced persons to act as Directors, etc.

2.6 CAPACITY REPLACEMENT AND EXPANSION RISK

As explained above, the Company's Assets, i.e., ships, have a finite life and as and when the ships reach a certain age, they need to be sold or recycled. This leads to a decrease in capacity and if the Company wants to maintain capacity in terms of fleet size, the Company must continuously follow a program of replacement of its older recycled or sold vessels.

Between the Years 2012 and 2014, the Company signed several newbuilding contracts with three different Chinese Shipyards for deliveries of Cement Carriers and Dry Bulk Vessels. In 2022, the Company purchased two secondhand Handysize bulk carriers as part of its strategy to have a younger and more fuel efficient fleet. While the Operating and Market risks associated with these new ships have been discussed above, the Company is also exposed to several distinct risks arising out of a Fleet Rejuvenation Plan, as discussed below:

- **Risks associated with disputes against a ship builder:** Disputes with a shipbuilder entrusted with building new vessels, as part of the Company's capacity expansion plans, may hinder the shipbuilding process and lead to a delay or in a worst case the non-delivery of vessels. The occurrence of such disputes could lead to the Company failing to achieve its expansion targets and could also result in operational losses.
- **Risks associated with a Cyclical Industry:** The Company is exposed to the risk that the Shipping Market remains in a cyclical downturn for a sustained period and in such case, the market values of the new ships could drop to levels much lower than cost and if this drop is considered permanent, it may expose the Company to an impairment charge in the Company's accounts and the lower values may also cause a default under the "Loan-to-Value" covenant required to be maintained in accordance with the Company's loan facility agreements.

Apart from a fall in the ship values, it may not be possible to charter out these ships at the expected rates which would lead to operating losses (including cash losses) for the Company. These losses or low rates achieved by the Company for a sustained period could lead to the inability of the Company to comply with financial covenants or worse meet payment obligations under its senior secured debt and debenture financing facilities. To mitigate this risk, the Company actively manages its liquidity position and monitors its compliance with all its financial covenants and ensures that it takes all steps necessary to remain in compliance with all its obligations by raising funds as and when required at the best possible terms.



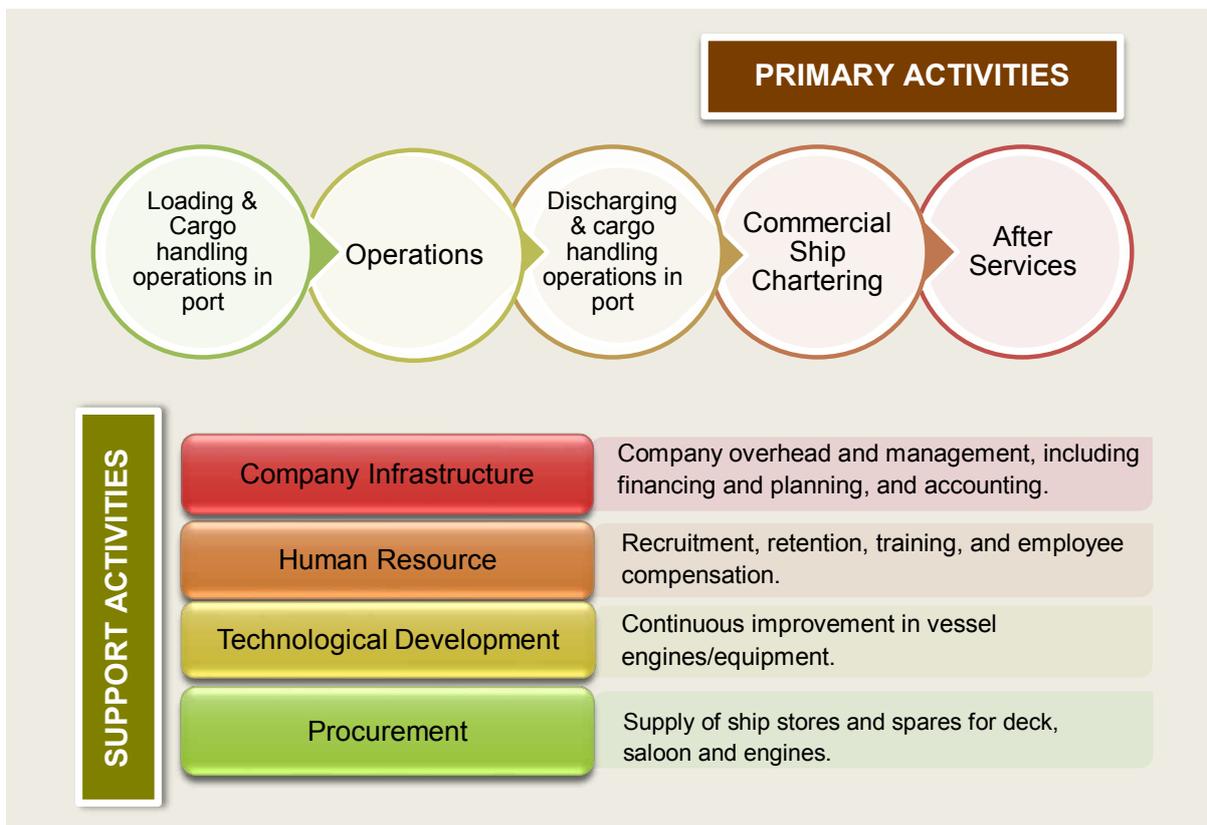
BUSINESS SUSTAINABILITY DEVELOPMENT

Sustainable Development Policy

To further its efforts, the Company has formalized its commitment by establishing a separate Sustainable Development Policy that addresses environmental and social issues and adheres to principles of good corporate governance, business ethics, and compliance with laws and regulations. With this policy, the Company aims to implement practices that will promote economic development, environmental sustainability and social responsibility.

Our Value Chain [GRI 102-9]

In the dry bulk shipping industry, a maritime operational value chain is considered to be sustainable if the activities involving transporting of dry bulk goods such as grains, minerals, and other raw materials are carried out in an environmentally and socially responsible manner. This includes the use of efficient ships, routes, and cargo loading and unloading practices. It also involves efforts to minimize emissions and environmental impact. By implementing sustainable practices across the entire value chain, the Company aims to reduce its costs and increase efficiency while improving its environmental and social performance.



In the maritime chain of transportation, shipping companies play a crucial role, as they facilitate cargo transportation from one port to another, adding value to their charterers or customers.

- loading and cargo handling operations in port:** This typically involves loading the cargo, such as coal or grain, onto a ship, as well as ensuring that the cargo is properly secured and stored on the ship for transportation.

The following practices are implemented to improve the loading process:

- Using efficient and swift cargo handling equipment.
- The loading and discharging sequences are discussed with the shore team at the port and due consideration is given to optimise the turnaround time, which can help to minimize delays and to ensure smooth cargo management.

- There is a “ship-shore safety checklist” which is followed as part of our Standard of Procedures (SOPs) to ensure all points are taken into consideration.
2. Operating a dry bulk shipping vessel as a ship owner requires a high degree of expertise and experience in managing ships and handling cargo, as well as a thorough understanding of the logistics and regulations involved in international shipping. The following divisions are typically involved in vessel operations:
 - **Technical Management:** The technical team manages the fleet of vessels, including scheduling maintenance and repairs, and monitoring the vessels’ performance and regulatory compliance.
 - **Crew Management:** The fleet personnel team manages all crew and is responsible for recruiting, training, and managing the performance of the crew members.
 - **Insurance:** The Company ensures that its vessels are properly insured against various risks such as accidents, piracy, and natural disasters.
 - **Compliance:** The Company ensures that its vessels comply with international regulations for safety, environmental protection, and other standards. The Company analyses each violation in detail to identify the root-cause and initiate appropriate corrective and preventive actions. The results are then conveyed to all senior employees as case studies to avoid recurrence.
 3. **The process of procuring supplies and replacement parts** for our vessels involves identifying the need, selecting reputable and reliable suppliers, inviting quotations, inspecting, and storing the items. Therefore, it is essential to establish open and clear communication, meet agreed-upon deadlines and payment terms, treat suppliers fairly, and build long-term relationships with suppliers. The Company ensures that supplier terms and conditions are based on industry norms and practices. The Company established a code of conduct policy for its suppliers to emphasize its dedication to collaborating with them toward a sustainable future. This helps the Company encourage its suppliers to adopt good practices for reducing environmental impact and promoting social responsibility.
 4. **Discharging & cargo handling operations in port:** Discharging involves unloading and delivering the cargo in the same condition it was loaded. Prior to arrival, the master usually plans a sequence for discharging cargo. A discharge plan helps to show the distribution of cargo within the ship and allow safe discharge of cargoes. After the cargo has been discharged, the ship will be repositioned to another port for its next voyage, or sail to a shipyard for maintenance and repairs.
 5. **Commercial Ship Chartering** involves overseeing the commercial side of the business, which encompasses negotiating charter rates, managing the voyage schedule of the ship, and determining the best location for employment of vessels i.e., positioning of vessels.
 - **Negotiation of charter rates:** The commercial team is responsible for negotiating charter rates with charterers, which is the fee charged for using a ship for a specific voyage or period of time.
 - **Chartering:** The commercial team is responsible for managing and chartering the Company’s vessels to charterers or customers. This process involves negotiating of charter rates, voyage itineraries, and other terms and conditions. They usually work with independent brokers or agents to connect with potential charter parties.
 - **Voyage Planning:** The post fixture team is responsible for planning the voyage itineraries for all vessels taking into account factors such as weather conditions, sea lanes, and port availability.
 6. **The online customer satisfaction survey** is an effective way for the Company to gather valuable feedback from customers about their experiences and perceptions of the business. This information can be used to identify areas for improvement and make informed decisions to better meet customers’ needs and expectations. Furthermore, conducting regular customer surveys helps to keep the Company informed of changes in customer attitudes and preferences.

The Company’s commitment to the environment led to the early induction of ‘ECO’ vessels. Similarly, it is expected that as soon as commercially viable options of these next generation zero emission ‘green’ vessels become available, they will also form part of our fleet.

Sustainable Value Chain [GRI 102-9]



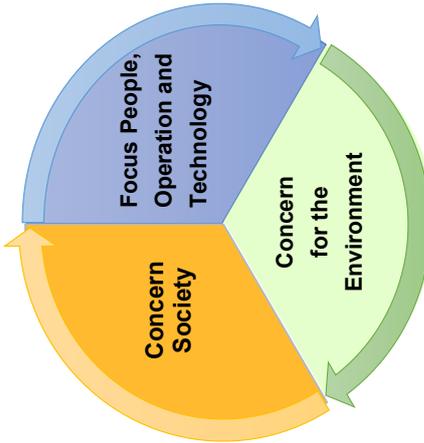
2021

- Our Fleet: 36 vessels, 1,585,805 dwt
- Average fleet age: 10.3 years*
- 929 employees (ashore and onboard)
- Shareholders' equity: USD 429.84 million*
- Dividend payout ratio 61%
- Total assets: USD 704.09 million*

(* as of 31 December 2021)

Our Vision and Mission Statement

To be the most distinguished Shipping Company in the world, providing an exemplary level of services and solutions to facilitate global trade.



2022

- Shareholders' equity: USD 476.32 million ^
- Total assets: USD 703.19 million ^
- Net profit: USD 138.61 million^
- Dividend payout ratio 48%
- Our Fleet: 38 vessels, 1,657,579 dwt
- Average fleet age: 11 years*
- Reduced average intensity of carbon emissions in grams per ton-mile from 12.9 in 2014 to 7.14 in 2022
- Reduced water sourced from onshore in 2022 by 12.03% compared to 2019
- Installed Ballast Water Treatment plants in 97% of the fleet
- Employee Training 44,286 hours, 45.05 average training hours per employee
- Conducted customer satisfactor survey
- Conducted employee satisfactor survey
- Conducted supplier ESG evaluation
- Zero incident reports of insider trading
- Zero incident reports of human rights
- Zero injured with onshore staff (^ as of 31 December 2022)



Shareholders



Customer



Suppliers



Regulators



Community



NGOs

Focus People, Operations, and Technology

PSL recognizes the importance of human capital in the growth and success of its business. Therefore, we strive to amplify the competence and skills of our employees by conducting a range of in-house training and development programs for employees across the organization. PSL is committed to continuous advancement and automation of its operations to ensure the highest level of operational efficiency. Further, we are committed to implementing the latest technologies to improve operational efficiencies and reduce our environmental impact.

Concern Environment

We take our obligation to reduce the environmental impact of our business very seriously. We have measurably reduced emissions by replacing our fleet of older vessels with modern fuel-efficient vessels. In addition, we have undertaken a number of fuel-saving measures such as installing meewis ducts on the propeller of ships, regular cleaning of the external underwater hull and propeller so that frictional losses are kept to a minimum; usage of efficient hull coatings (anti-fouling paints), avoiding wastage of electric power on board and implementation of active weather routing on voyages to increase efficiency. We are committed to burning only low sulphur fuel while avoiding equipment such as scrubbers that cause acidification of the ocean.

Concern Society

Community development is in our DNA. Over the years, we have made significant donations to community schools as well as provided scholarships to deserving students at the Merchant Marine Training Centre.

Stakeholder Engagements [GRI 102-21, 102-40, 102-42, 102-43, 102-44]

The Company recognizes the importance of all stakeholder groups whether it is the internal stakeholders such as shareholders, employees and management of the Company and subsidiaries or external stakeholders such as creditors, suppliers, customers, investors, communities, government agencies and other related organizations whom the Company has an ongoing relationship with and impact on because of its business operations. The Company engages its stakeholder groups in a variety of ways, with the frequency and communication mechanisms based on the most effective means of facilitating dialogue. The Company has also provided channels on its website for any stakeholder to express his/her opinion and contact the Board of Directors in case they wish to do so directly, without going through the Management. The Board has and will continue to treat such information seriously and with utmost confidentiality.

Currently, the Company categorises and prioritises stakeholders into nine groups, which are presented below. All business units are responsible for creating and maintaining good relationships with these groups, communicating, taking their suggestions, and assessing their expectations.

Stakeholders	Stakeholders Expectations	Key Actions	Engagement Approach & Tools
Shareholders	<ul style="list-style-type: none"> • Share in profits by way of dividends • Business growth and sustainability • Fair and transparent operations • Risk Management • Equitable treatment • Appropriate channels for monitoring the Company's performance and for giving feedback to the Company • Easy accessibility to Management of the Company 	<ul style="list-style-type: none"> • Creation, preservation, and enhancement of long-term value for our shareholders • Disclosing timely, concise, and relevant information • Responsive to all inquires 	<ul style="list-style-type: none"> • Direct channel of communication to Board/ Management open for every Shareholder • Shareholder Meetings at least once a year, plus quarterly SET Opportunity Day Meetings (Videos of these Meetings available on the Company's website) • Regular newsletters from CEO • Annual Report and other reports, such as press releases, etc. • Frequent communications through company visit, road shows and meetings
Customers	<ul style="list-style-type: none"> • Professional service with fair charter rate • Commitment to agreements 	<ul style="list-style-type: none"> • Develop services to respond to diverse needs • Provide efficient, reliable, and professional services and solutions to all our customers • Follow terms of agreements 	<ul style="list-style-type: none"> • Conduct the customer satisfaction survey • Provide substantive reply to any query promptly • Direct channel of communication to Board/ Management open for every Stakeholder

Stakeholders	Stakeholders Expectations	Key Actions	Engagement Approach & Tools
Employees	<ul style="list-style-type: none"> • Appropriate compensation and welfare • Career advancement and succession • Competency enhancement • Positive and good work environment • Security and safety at work 	<ul style="list-style-type: none"> • Respecting human rights and diversity • Ensuring equal opportunity • Ensuring a safe and healthy work environment • Providing skill enhancement via sophisticated training 	<ul style="list-style-type: none"> • Annual review of compensation, welfare and benefits structure to remain competitive with industry standards • Open channels for accepting opinions and suggestions • Conduct employee satisfaction survey
Creditors/ Financial Institutions	<ul style="list-style-type: none"> • Ability to repay debts and punctual payment • Fair returns on loans and service fees • Commitment to agreements • Transparent information sharing 	<ul style="list-style-type: none"> • Full compliance with all terms in borrowings including compliance with the objectives of using the borrowed funds, repayment, collateral, and other conditions as may be agreed 	<ul style="list-style-type: none"> • Regular meetings for information exchange and to maintain a good relationship • Financial and annual operating reports • Promptly respond to any queries
Community & Society	<ul style="list-style-type: none"> • Improvement in quality of life • Support community activities • Environment protection 	<ul style="list-style-type: none"> • Support the local community on a regular basis • Put in place and implement appropriate measures to reduce the environmental impact from the Company's operations 	<ul style="list-style-type: none"> • Meet with key community stakeholders to plan and execute community development projects
Regulators	<ul style="list-style-type: none"> • Compliance with relevant laws, rules and regulations • Good Corporate Governance and transparency • Sufficient and timely information disclosures 	<ul style="list-style-type: none"> • Follow guidelines in doing transactions with the State, code of conduct and participate in academic collaboration • Periodic internal assessment of regulatory compliance • Complaint handling channels and remedial measures 	<ul style="list-style-type: none"> • Regular disclosures through SET • Regular participation in meetings and activities of related agencies • Annual Report and other reports, such as press releases, etc.
Suppliers	<ul style="list-style-type: none"> • Fairness and equal opportunity in the procurement process • Fair prices • Reputation and credibility • Honor payment terms 	<ul style="list-style-type: none"> • Ensure that terms and conditions for suppliers are based on industry norms and practices • Follow agreed terms and conditions • On time payment 	<ul style="list-style-type: none"> • Conduct Supplier evaluation through questionnaires and surveys • Complaint handling channels on website

Stakeholders	Stakeholders Expectations	Key Actions	Engagement Approach & Tools
Independent/ Public Organizations & NGOs	<ul style="list-style-type: none"> • Collaboration to drive forward sustainable development 	<ul style="list-style-type: none"> • Dialogue through industry associations 	<ul style="list-style-type: none"> • Direct engagement to foster closer cooperation
Prospective Investors	<ul style="list-style-type: none"> • Return on investment • Business growth and sustainability • Fair and transparent operations • Risk Management • Appropriate channels for monitoring the Company's performance • Easy accessibility to Management of the Company 	<ul style="list-style-type: none"> • Business operation that is transparent, verifiable, and adheres to the principles of good governance • Transparent, complete, and consistent disclosure of information • Provide accurate and complete financial information • Adhering to ethical and legal standards 	<ul style="list-style-type: none"> • Direct & Open channel of communication to Management • Frequent meetings and conference calls/ Q&A sessions • Regular disclosures through SET • Presentation/Roadshows 9 times in 2022 • Annual Report and other reports, such as press releases, etc.

Stakeholder Type	Engagement Types			
	Email/ Telecommunications	Direct Meetings	Events	Surveys/ Questionnaires
Customers	✓	✓		✓
Employees	✓	✓	✓	✓
Suppliers	✓	✓		✓
Local Communities	✓	✓	✓	
Industry Associations/Unions	✓	✓		
Regulators	✓	✓		
Investors	✓	✓	✓	

The Materiality Assessment [GRI 102-31, 102-47, 103-1]

The content of this Sustainability Report is geared to highlight the Company's policies, achievements, and challenges towards sustainability within the reporting period. The Company has ascertained this content by carrying out a Materiality assessment.

In alignment with the principles of the GRI Standards and the SDGs, the Company has used a four-step process in determining its Materiality Assessment:

1. Identification of relevant topics: by evaluation of the boundaries (where the impact of each issue occurred), impact of each issue was determined both inside and outside the Company, and by business unit utilizing GRI indicators.
2. Prioritization of topics against stakeholder and Company influence and impact: by considering each topic, issues deemed significant to the organization and deemed significant to the stakeholders, and those issues and topics which reflected significant economic, environmental, and social impact.
3. Validation of prioritization and identification through review and evaluation: this Materiality Assessment has been validated through internal representatives of the business units with assistance from Senior Management.
4. Review of context on annual basis: by incorporating to this Report, stakeholder feedback from outside stakeholders received through multiple channels, such as Opportunity Day/Investor meetings, the Company website, Regulatory Authorities, and press coverage of the Company.

This materiality matrix below presents 9 topics for each sustainability-related category, based on their level of significance and impact. The topics in the matrix reflect the Company's sustainability priorities and the issues that are most relevant and important to the Company and its stakeholders. The Company recognizes the value of broadening its engagement with its stakeholders to improve its Materiality Assessment and increasing the relevance of information within its Report based on stakeholder priorities.

2022 Materiality Matrix



- Economic Performance
- Corporate Governance & Code of Conduct
- Anti-Corruption

Economic

- Lower Carbon Emission
- Environment Compliance
- Effluents & waste

Environment

- Training & Education
- Occupation Health & Safety
- Diversity & Equal Opportunity

Social

Contribution to Sustainable Development Goals (SDGs) [GRI 102-15, 102-29, 103-2, 103-3]

The Company aims to support the United Nations' Sustainable Development Goals (SDGs). The Company integrates these goals into its business operations to ensure that all executives and staff are ready to achieve the international sustainable development along with the Company's business growth and stakeholder benefits.

The Company is committed to meeting the UN's Sustainable Development Goals particularly in relation to the promotion of good health and well-being; quality education; gender equality; decent work and economic growth; climate action; peace, justice and strong institutions; and partnerships to achieve the goal. These goals are integral to the long-term sustainability of the Company.

Sailing Toward Sustainability Goals

Materiality Topics	Key Stakeholders	Our Commitments	Targets 2030	Our efforts to 2022	SDGs
Risk and opportunities arising from climate change.	<ul style="list-style-type: none"> Regulators Shareholders Investors Communities & Society 	<ul style="list-style-type: none"> To identify and assess the impact of extreme climate changes. 	<ul style="list-style-type: none"> Incorporate climate change & natural disaster scenarios into our Risk Management Framework. 	<ul style="list-style-type: none"> Aligned our reporting with the TCFD framework and recommendations and incorporated climate risk into our enterprise risk management. 	
Carbon footprint & Emissions	<ul style="list-style-type: none"> Regulators Charterers Shareholders Investors Communities & Society 	<ul style="list-style-type: none"> To reduce carbon footprint and harmonize the Company's efforts towards environmental conservation. 	<ul style="list-style-type: none"> Reduce CO2 emissions per transport work (ton DWT) at least 40% by 2030, compared to 2008 as the baseline year. Become a player in new energy transportation and supply that supports decarbonization and carbon neutrality. 	<ul style="list-style-type: none"> Joined the Getting to Zero Coalition, an industry group formed to jointly develop commercially viable zero-emission vessels. Reduced CO2 emissions per transport work (ton DWT) in 2022 by 35.05%, compared to 2008. All vessels in the fleet are weather routed so as to save on fuel consumption as well as increase safety. Achieved 5% savings in energy consumptions and emissions per vessel, by installing wake equalizing ducts on 18 vessels in the fleet. Conducted survey to collect initial inventory and emission data to establish a baseline data set for current employee commute behaviors. Initiated staff awareness program to create awareness and promote low carbon behavior and energy saving habits among our employees. 	
Effluents & waste	<ul style="list-style-type: none"> Regulators Communities & Society 	<ul style="list-style-type: none"> To protect and conserve the environment and to rank environmental considerations equally with commercial and operational factors. 	<ul style="list-style-type: none"> Recycle ships in an environmentally responsible manner. Reduce the fresh water received on ashore at least 25% by 2029, compared to 2019 as the baseline year. Maintain zero oil spills. 	<ul style="list-style-type: none"> While no vessels were recycled during the period, all vessels have been audited by Recognized Organizations and issued an "Inventory of Hazardous Materials" certificate, thus ensuring that if/when any of the vessels are recycled, they are done so in an environmentally safe and sustainable manner. Organized a beach cleaning activity 'Team Up to Clean Up' at Ban Amphur Beach to support the local community. Set an internal target of reducing food wastage on-board by 20% within the year 2029 compared to 2020 as the baseline year. 	 

Materiality Topics	Key Stakeholders	Our Commitments	Targets 2030	Our efforts to 2022	SDGs
Anti-Corruption	<ul style="list-style-type: none"> • Employees • Charterers • Suppliers • Regulators 	<ul style="list-style-type: none"> • To conduct business ethically with a zero-tolerance approach to bribery and corruption. 	<ul style="list-style-type: none"> • Maintain zero incidents of corruption. 	<ul style="list-style-type: none"> • Provide training sessions for employees (covered 100% of employees). • Communicated our anti-corruption policy and practices to employees and suppliers. • There were no unethical cases reported in 2022. 	
Economic Performance	<ul style="list-style-type: none"> • Shareholders • Employees • Investors 	<ul style="list-style-type: none"> • To create, preserve and enhance long-term value for our shareholders. • To be good stewards of capital. 	<ul style="list-style-type: none"> • Build long-term value through sustainability. • Control operational cost. • Focus on customer needs and on exceeding their expectations. 	<ul style="list-style-type: none"> • Yearly evaluation of operational performance and efficiency. • Consider investment in new technologies to improve operational efficiency. • Achieved lower Opex than the industry average. 	
Training & Educations	<ul style="list-style-type: none"> • Employees • Communities & Society 	<ul style="list-style-type: none"> • To reinforce positive attitudes towards health & safety and to amplify the competence and skills of our employees by conducting a range of in-house training and development programs for employees across the organization. 	<ul style="list-style-type: none"> • Regularly update or develop an internal training program for all crew members. • Focus exercises designed to improve navigational skills and awareness by putting officers through various weather, sea, and port conditions. 	<ul style="list-style-type: none"> • A total of 1,021 sea going officers and crew members attended a total of 18 courses that were conducted online and 4 courses that were conducted at our training center in Bridge Team Competency during the year. • Initiated scholarship program for children of our employees and crew. • Funded scholarships and internships for cadets or students within the maritime and transportation industries. 	
Occupation Health & Safety	<ul style="list-style-type: none"> • Employees 	<ul style="list-style-type: none"> • To conduct business with the highest standards of safety, occupational, and health conditions. 	<ul style="list-style-type: none"> • Achieve zero work-related fatalities. • Stabilize lost-time injury rate at below 0.30 (per 1 million hours worked). 	<ul style="list-style-type: none"> • Ensured a safe and healthy work environment through various anti-pandemic measures. • Implementation of remote working to ensure the safety and well-being of employees during the pandemic. 	
Diversity and Equal Opportunity	<ul style="list-style-type: none"> • Employees • Regulators 	<ul style="list-style-type: none"> • To be a fair and caring employer offering its staff equitable opportunities to develop and grow. 	<ul style="list-style-type: none"> • Promote a diverse workforce with an inclusive culture. 	<ul style="list-style-type: none"> • Established a Diversity and Inclusion Policy. • Conducted a gender equality training and awareness program for our employees. • Granted scholarship to one female cadet. 	

Sustainable Management Performance

Corporate Governance, Ethics, and Integrity [GRI 102-34, 103-1]

The Company is committed to conducting business under Good Corporate Governance principles; doing business ethically; striving for the betterment of society and the environment. The Board of Directors has promoted corporate governance practices to help fulfill its responsibility to the shareholders. It is the duty of the Board of Directors to serve in a prudent fiduciary relationship with shareholders and to oversee the management of the Company's business. Details of the Company's governance structure are provided in the "Organization Structure" section of this Annual Report.

The Company has set up a Business Ethics and Code of Conduct Manual and the Corporate Governance Policy to commit to the key principles of integrity, ethical business conduct and accountability for Directors, Executives, and staff as a guideline in carrying out their respective work for the Company in a transparent, honest, faithful, and justifiable manner. These guidelines can be accessed through the Company's website.

Performance Data	2020	2021	2022
Business Ethics			
Business Ethics & Code of Conduct Policy	Yes	Yes	Yes
Anti-Corruption Policy	Yes	Yes	Yes
Whistleblowing Policy (part of business ethics policy)	Yes	Yes	Yes
Articles of Association	Yes	Yes	Yes
Total monetary loss due to legal proceedings associated with bribery or corruption	0	0	0
Total number of insider trading violations	0	0	0
Total number of conflict of interest issues	0	0	0
Total number of incidents reported of human rights issues	0	0	0
Significant labor dispute	No	No	No

Governance Data [GRI 405-1]

Performance Data	2022
Board of Directors	
Chairman of the Board of Directors	Independent Director
Members	11
Independent Directors	36%
Non-Executive Directors (including Independent Directors)	73%
Executive Directors	27%
Number of meetings held (times)	7
Attendance ratio (%)	98%
The Proportion of Directors by Gender	
Female	36%
Male	64%
Audit & Corporate Governance Committee	
Chairman of the Audit & Corporate Governance Committee	Independent Director
Members	3
Independent Directors (%)	100%
Number of meetings held (times)	4
Attendance ratio (%)	100%

Performance Data	2022
Nomination Committee	
Chairman of the Nomination Committee	Independent Director
Members	3
Independent Directors (%)	100%
Number of meetings held (times)	3
Attendance ratio (%)	100%
Remuneration Committee	
Chairman of the Remuneration Committee	Independent Director
Members	3
Independent Directors (%)	67%
Number of meetings held (times)	3
Attendance ratio (%)	100%
Sustainability and Risk Management Committee	
Chairman of the Sustainability and Risk Management Committee	Independent Director
Members	4
Independent Directors (%)	75%
Number of meetings held (times)	4
Attendance ratio (%)	100%

Anti-Corruption [GRI 205-2, 205-3]

The Company has developed a reputation in the industry for having zero tolerance toward any form of corruption or unethical behavior. The senior management has always enforced this policy throughout the history of the Company. The Board of Directors recently approved a new Self-Evaluation Tool for Countering Bribery and an Anti-Corruption Policy.

This policy, which is an embodiment of the age-old stance of the Company, against any form of corruption or unethical behavior, has been communicated to every member of the Board of Directors and each of the Company's employees.

In December 2018, the Company implemented a "No Gift Policy" in accordance with guidelines from the Private Sector Collective Action Coalition against Corruption (CAC), whereby the Company requested all business partners not to give any gifts for any occasion to any of its personnel, including its directors, executives, employees at all levels. The Company continued with this practice in 2022. This No Gift Policy reinforces the Company's compliance with the Anti-Corruption Policy and good corporate governance principles.

The Company provided anti-corruption seminars and training for all directors, executives, and staff members at the office to bolster the Company's anti-corruption culture.

The Company extends the application of these policies beyond itself and applies the same to each individual/corporation/organization that the Company deals with. The Company has set up a channel to contact the Board of Directors directly for any business suggestions, complaints, or recommendations indicating impact or risks of impact on stakeholders arising from its business or from wrongful action, or violation of the Code of Conduct, illegal acts, etc. As such, the Company ensures that none of its affairs are conducted with/through any unethical individual/corporation/organization.

In 2022, there were zero whistleblowing incidents and zero violations of our ethical principles.

Precious Shipping was certified as a member of Thailand's Private Sector Collective Action Coalition against Corruption (CAC)



Photo: Mr. Gautam Khurana, Director (Finance) of the Company was presented the CAC membership renewal certification at an online awards ceremony held in December 2022.

PSL has been a certified member of CAC since 2019. In order to receive the membership certificate, the Company must undergo a self-assessment process and have it reviewed and approved by the Chairman of the Audit & Corporate Governance Committee to show that it follows anti-corruption policies, practices, and has complete documentation as required by the CAC Committee.

The CAC aims to tackle corruption, build a critical mass of clean and transparent businesses and uplift compliance standards of private companies.

Economic Performance [GRI 103-1]

The Company's Senior Management had set up goals for 2022 with targets that were both realistic and aggressive as follows:

- Daily earnings per vessel to be higher than the corresponding industry benchmark - Please refer to "**Market Segmentation/Benchmarking**" in the Board of Directors' Report, for the Company's performance in 2022 as against this target; and
- Daily Operating costs per vessel to be at least 10% lower than the industry average as published by BDO LLP - Please refer to "**PSL OPEX comparison with Industry**" in the Management Discussion and Analysis, for the Company's performance in 2022 as against this target.

For 2023, the Company's Management has set the same goals as for 2022.

The Company's operations contribute to national economies by generating economic benefits for different stakeholder groups. The related direct monetary flows indicate the extent of added value.

Direct Economic Value Generated and Distributed (Million USD) [GRI 201-1]

Description	2020	2021	2022
Direct Economic Value Generated			
Vessel Operating Income	119.08	265.61	259.85
Revenue from financial investments	0.27	0.06	0.41
Revenues from sale of assets	0.00	0.02	0.00
Other income	0.51	6.41	0.19
Direct Economic Value Generated	119.86	272.10	260.45
Economic Value Distributed			
Operating Costs (excluding crew costs)	29.58	28.70	21.63
Employee wages and benefits (including crew costs)	40.99	52.71	49.08
Finance costs (paid to lenders)	18.88	12.94	11.12
Dividend distribution	0.00	47.10	101.35
Tax payments to governments	0.12	0.14	0.09
Community Investments	0.06	0.13	0.10
Other payments	32.02	3.29	2.17
Economic Value Distributed	121.65	145.01	185.54
Economic Value Retained as under	(1.79)	127.09	74.91
Depreciation, amortization, and Impairment loss	38.71	37.79	37.57
Provisions	0.28	(0.28)	(0.01)
Transfer to (from) Reserves	(40.78)	89.58	37.35

The above table is to provide transparency on the economic impact of the Company's activities. These figures are calculated after factoring in financial flows and tax payments. The Company does not implement any tax arrangements for the purpose of tax evasion. The payment, collection and accounting of taxes complies with the country legislation that the Company operates in.

For Financial Performance: see the **Management Discussions and Analysis** sections in this Annual Report.

Environmental Performance [GRI 103-1]

The Company recognizes that irresponsible shipping operations will inevitably lead to catastrophic environmental impact, particularly in terms of air and/or water pollution. Therefore, the Company is firmly committed to the protection and conservation of the environment and ranks environmental considerations equally with commercial and operational factors.

However, over years of operations, the Company has realized that simply complying with regulations is not enough. What is needed is to go above and beyond the mandatory regulations by developing internal emergency response plans and quality control systems, constantly searching for new technologies to employ, to help reduce our environmental impact, and a firm commitment to reducing CO2 emissions and waste generation.

- Reduced CO2 emissions per ton DWT by 35.05 % as compared with that in 2008.
- Formalized our Environment Protection Policy Statement in line with ISO 14001 requirement. It is the Company's policy to conduct its operations in an environmentally sustainable manner to protect the environment and Planet Earth for a better life for the present and future generations (please see details below in "ISO 14001 Certification"). Achieved around 5% savings in energy/reduction in emissions per vessel by installing wake equalizing ducts on 18 vessels in the fleet.
- Environmental objectives and targets are set and assigned to all levels of employees in the Company, both ashore and afloat, with stipulated time frames and action plans. The Company recognizes that training and improving awareness at all levels is the key to achieving the environmental policy and seeks to accomplish these through in-house training described hereunder.

- The Company has carried out an environmental impact analysis for all key shipboard and company activities and it has been found that the Company's existing procedures can effectively reduce the environmental impact of any incident.
- In-house training programs are conducted for all staff (serving at shore office as well as on vessels) on the Environment Management System ("EMS") policy, objectives that have been set, and for general awareness. These training programs are conducted at the Company's training center and through internal audit visits to vessels.
- The Company uses best endeavors to influence and encourage all vendors associated with the Company to comply with environmental standards/good practices. The Company completed IHM certification for all the vessels in the fleet.

Sustainable Financing

PSL is committed to incorporating ESG principles as the Company recognizes that this is important for the long-term sustainability of the business. In 2021, we signed a USD 85m sustainable financing facility with International Finance Corporation (IFC), EXIM Bank of Thailand and TMB Thanachart Bank. As part of their due diligence, the lenders hired the services of a third-party consultant to conduct an Environmental and Social (E&S) assessment of the Company. The Company is required to meet minimum performance standards as well as achieve certain sustainability targets during the tenor of the loan.

Compliance with Regulations & Conventions [GRI 307-1]

To have the Company's ships sailing in international waters, the Company is legally required to be fully compliant with the regulations imposed by the International Maritime Organization (IMO) and other regulatory bodies.

Safety of Life at Sea (SOLAS), Maritime Regulations for Prevention of Pollution (MARPOL), Standards for Training Certification and Watchkeeping (STCW) & the Maritime Labour Convention (MLC) are the four pillars of the international maritime industries regulatory framework.

IMO's latest regulations on GHG emissions – the introduction of EEXI and CII

In line with IMO's initial strategy of achieving a reduction in the intensity of CO₂ emissions of upto 40% per transport work by 2030 and upto 70% by 2050, to reduce GHG emissions from ships, in June 2021 the IMO introduced two measures a) The Energy Efficiency Design Index for Existing ships (EEXI) and b) Carbon Intensity Indicator (CII) and corresponding regulations that will affect 80% of the global fleet. The regulations into force on 1 January 2023. Introduction of these new regulations has had a very major effect on the shipping industry as a whole and has challenged ship owners like never before.

The EEXI regulation stipulates upper limits on the GHG emission levels permitted based on the design parameters of ships such as maximum engine power, ship speed, the type of ship and the cargo carrying capacity of ships. To comply with this regulation, nearly 80% of the global fleet will have to limit the maximum power developed by the main engines by varying degrees- typically by between 20% and 50%.

CII on the other hand measures the actual emission levels of each vessel and requires ships to reduce the same year on year starting from 2019 until 2026 by 1% for each year between 2019 and 2023 and thereafter by 2% each year until 2026.

PSL's fleet is well on course to achieving the required targets. Of the 38 vessels in PSL's fleet, EPL will be installed and the maximum power of the main engine will be limited on 23 vessels by the first periodic survey in 2023. 23 vessels in our fleet will need to implement countermeasures such as engine power limitation to comply with the EEXI requirements, of which 16 vessels will need to reduce speed to comply with the Engine Power Limitation, and the speed reduction will vary between 1.0 to 2.5 knots on each ship compared to their average speeds in 2021.

Some of the other regulatory instruments are:

- International Convention for the Control and Management of Ships' Ballast Water and Sediments 2004. This Convention entered into force on 8 September 2017.
- International Maritime Dangerous Goods code (IMDG)
- International Maritime Solid Bulk Cargoes code (IMSBC)
- International Convention on the Control of Harmful Anti-Fouling Systems 2001
- International Code for Ships Operating in Polar Waters (Polar Code)
- International Convention on Civil Liability for Bunker Oil Pollution Damage 2001
- Nairobi International Convention on the removal of Wrecks 2007 (the Wrecks Convention)
- National, Regional and Local regulations more stringent than the international requirements like US environment protection acts, European Union air pollution directives etcetera.

In addition to the above, the most significant regulations together with the Company's efforts to remain compliant are outlined below.

International Safety Management Code (ISM Code): Learning from various marine casualties over the years, ISM Code was introduced by the IMO, to enhance the safe operation of ships and pollution prevention. The ISM Code, which applies to passenger ships, oil tankers, chemical tankers, gas carriers and bulk carriers, became mandatory on 1 July 1998 however, the Company implemented the ISM code three years in advance of the deadline in 1995.

The Code is implemented on board the vessels and offices ashore to provide an international standard for the following objectives:

1. Ensure safety at sea
2. Prevent human injury or loss of life
3. Avoid damage to the environment

Below is a table of the Company's ISM Code violations viewed against Vessel Operating days from 2018 to 2022. For this analysis, violations are considered as any incident that results in a fire, explosion, serious injury or death to crew members, collisions, groundings, etc., The Company has analysed each violation in detail to identify the root-cause and initiate appropriate corrective and preventive actions. The results are then conveyed to all senior employees as case-studies to avoid recurrence. In 2022, we had one incident which can be described as an ISM violation from over 13,502 vessel operating days for the fleet. Even though the Company did not meet its target of zero ISM violations in 2022, in terms of the number of violations per vessel operating day basis, the sole (minor) incident in 2022 would still be considered a low level.

	2018	2019	2020	2021	2022
Operating Days	13,140	13,140	13,176	13,140	13,502
ISM Violations	3	3	1	2	1

As per the ISM code requirements, annual internal audits are conducted on board by a dedicated team of qualified and experienced ship auditors reporting directly to the Managing Director. All incidents of non-compliances, accidents and near misses are thoroughly investigated and analyzed, after which procedures are reviewed immediately. Furthermore, all lessons learned from various accidents and near miss incidents are shared with organizations like Marine Accident Reporting Scheme (MARS) for the mutual benefit of the industry and to enhance maritime safety in general. The Nautical Institute, London, which publishes the MARS reports every month, has appreciated the Company's participation in MARS and for promotion and sharing "lessons to learn" incidents and case studies from its own fleet for the benefit of the industry. This follows the Company's highest ideals of quality management and social responsibility.

In addition to the above, the Company is undertaking following initiatives to limit ISM Code violations through preventative action:

- **Enhanced staff training:** An increasing trend in the industry is that Port State Control inspectors are getting more stringent in their enforcement of the ISM Code. As such the Company's ship staff are regular tested on their ISM knowledge. They are also encouraged to share experiences from across the fleet, for everyone's benefit.
- **Enhanced maintenance of vessels:** The head office has stressed that all machinery checks, and inspections be carried out with greater frequency, and any difference observed by ship staff are immediately reported. Also, the Company's management has stressed that internal auditors enforce the Code more stringently than external inspectors, to achieve a higher level of compliance and safety for the Company's ships, cargoes, and crew.
- **Timely warnings and reminders to vessels:** Vessels entering North American and Australian waters often require additional certificates for compliance with local regulations. As a preventative measure, the head office gives instructions to the crew well in advance of the vessel's arrival in such waters to ensure that all documents are in order and the vessel is always in full compliance with regulations.
- In 2012, the Company also became a member of RightShip, an independent ship-vetting organization formed by BHP Billiton, Rio Tinto, and Cargill, three of the world's largest trans-national corporations and major users of sea transport services. RightShip's ship vetting model is known for its exacting and stringent standards and focuses on ship safety (including crew and cargo) and marine environmental protection; and the Company's membership is yet another affirmation towards sustainability.

The Company has set an internal target of zero ISM Code violations resulting in injury or death, fire, collisions or groundings or any vessel detention resulting from an ISM Code violation.

International Ship and Port Safety (ISPS) Code: Considering changing security circumstances across the globe, the International Ship and Port Safety Code was adopted in 2004. The code is an amendment to the SOLAS Convention that encompasses a greater level of security arrangements for ships and ports. The code assigns responsibilities to governments, shipping companies, shipboard personnel, and port/facility personnel to "detect security threats and take preventative measures against security incidents affecting ships or port facilities used in international trade" (ISPS Code Part A 1.2.1).

In implementing the ISPS Code the Company has developed standard operating procedures for vessels entering ports prone to drug smuggling and stowaways. This includes employing sniffer dogs and armed guards where appropriate. Furthermore, standard policies are employed whenever vessels call European, British, American, Australian, or Canadian ports.

Annual internal reviews are conducted on preventative measures including the performance of the companies providing the sniffer dogs and guards. Like the ISM audits mentioned above, these are carried out by a dedicated team of qualified and experienced ship auditors reporting directly to the Managing Director. All incidents of non-compliance, accidents and near misses are thoroughly investigated and analyzed. In the event of any failures of the standard operating procedures, reviews are immediately conducted.

Below is a table displaying the number of ISPS Code Violations against the number of Vessel Operating days from 2018 to 2022. As in the case of ISM, the Company sets a target of zero violations in respect of ISPS Code. We are happy to report that there was no ISPS violation in 2022. As always, the Company will strive to have no ISPS violations in 2023 also.

	2018	2019	2020	2021	2022
Operating Days	13,140	13,140	13,176	13,140	13,502
ISPS Violations	0	0	1	1	0

MARPOL: is one of the most important environmental regulations in the maritime industry and aims to preserve the marine environment through the complete elimination of pollution by oil and other harmful substances and the minimization of accidental discharge of such substances." This convention is divided into 6 distinct sub-areas (IMO, 2011):

1. Regulations for the Prevention of Pollution by Oil
2. Regulations for the Control of Pollution by Noxious liquid substances in bulk
3. Regulations for the Prevention of Pollution by harmful substances carried by sea in packed forms, or in freight containers, portable tanks or road and rail tank wagons
4. Regulations for the Prevention of Pollution by Sewage from ships
5. Regulations for the Prevention of Pollution by Garbage from ships
6. Regulations for the Prevention of Pollution by Air from ships

There is a company-wide acknowledgment that the risk posed to the marine environment from a marine incident is severe. The Company has adopted a great deal of preventative measures to limit this risk factor. The first is to limit human error, and the second is to maintain the vessel's machinery to the highest possible standard.

To limit human error, the Company has developed an internal training program for all seagoing staff. This includes simulator exercises designed to improve navigational skills and awareness by putting officers through various weather, sea, and port conditions. Furthermore, the Company also ensures that all engineers employed on ships with new modern engines have undergone engine model specific rigorous training program aimed at enhancing their ability to maintain engines and avoid any fuel or sludge discharge or any breakdowns.

	2018	2019	2020	2021	2022
Operating Days	13,140	13,140	13,176	13,140	13,502
MARPOL Violations	1	0	0	0	0

The above table demonstrates the number of MARPOL violations resulting in an insurance claim and Vessel Operating days from 2018 to 2022. For this analysis, any incident counts as a violation if it results in an insurance claim. We are happy to report that there was no MARPOL violation in 2022. As always, the Company aims to have zero MARPOL violations in 2023.

Other regulations: Following are some of the regulations coming into force within the immediate future or regulations which have become recently effective:

- IMDG Code and IMSBC Code require more stringent requirements to be met for carriage of certain dangerous cargo.
- International Code for Ships Operating in Polar Waters (Polar Code) requires vessels to have enhanced safety and pollution prevention measures while trading in the harsh and sensitive polar region.
- STCW 2010 (Manila amendments) - effective from 1 January 2017 - requires documentation for seafarers having undergone more stringent revised training requirements for competency and proficiency.
- MLC 2006 Amendment 2014 effective from 18 January 2017 - requires a certificate for financial security in respect of Seamen repatriation costs and other liabilities.
- Vide IMO resolution MEPC.280 (70), since 1 January 2020 all ships have been required to mandatorily use fuel oil with sulphur content no more than 0.50% m/m (however, in SOx Emission Control Areas – ECA zones – a lower limit of 0.1% m/m Sulphur applies). IMO resolution MEPC 73 prohibited the carriage of non-compliant fuel oil on board ships after 1 March 2020 - unless the ship uses an alternative compliance method (such as an exhaust gas cleaning system or “scrubber”) accepted by the flag State as an alternative means to meet the sulphur limit requirement. Together, these are commonly referred to as the ‘IMO 2020’ regulations. The IMO 2020 regulations aim to significantly reduce the amount of sulphur oxides emanating from ships and should have major health and environmental benefits for the world, particularly for populations living close to ports and coasts.

- The Company fully complies with the IMO 2020 regulations, and all vessels in the Company's fleet have completed the required transition to the use of compliant low sulphur fuel oil for the engines and boilers.
- Regulations applicable at European Union (EU) ports.
- All vessels calling EU ports have an approved vessel specific CO2 Monitoring, Reporting & Verification Plan (MRV). A Document of Compliance is to be available on board.

All PSL ships meet this requirement.

1. Amendments to MARPOL Annex VI that make the data collection system (DCS) for fuel oil consumption of ships mandatory were adopted at the 70th session of the MEPC 70 held in October 2016, and came into force from 1 March 2018 {IMO Resolution MEPC.278 (70)}. According to this regulation, for ships of 5,000 gross tonnage and above engaged in international voyage, the data collection was required from calendar year 2019, with first reporting to be made by early 2020. Upon verification of the submitted data, the Flag Administration or the Recognised Organisation (RO) issues to the ship a Statement of Compliance related to fuel oil consumption. Finally, the Flag Administration submits aggregate data to the IMO, which will maintain an anonymized IMO Ship Fuel Oil Consumption Database.

This requirement is in line with the EU CO2 MRV system above and forms a part of the existing Shipboard Energy Efficiency Management Plan (SEEMP – Part 2).

All the vessels in PSL's fleet have already been issued with Statements of Compliance by a Recognized Organization (Class NK in our case) after verification of all the data that was compiled over the entire year and submitted.

2. With effect from 31 December 2020, EU Regulation on Ship Recycling has been applicable to foreign ships in EU waters. Ships are to comply with Inventory of Hazardous material code (IHM). The Company has obtained the IHM certification well in time for all the vessels in the fleet.
3. **Sanctions** impose partial or blanket prohibition on trading with certain countries, restrictions on the export or import of various goods, restrictions on the transfer of certain technologies and asset-freezes. The four principal sanctions regimes to consider are those of the UN, USA, EU, and UK.

Sanctions significantly impact shipping and shipowners are particularly exposed to the risk of sanctions' violation. Ships trade worldwide, often with varying trading patterns. The contractual chain, from lenders or lessors through charterers and sub-charterers to cargo interests may be long and there is often no direct contractual nexus between all parties in the chain. So, sanctionable activities may be difficult to detect and may be disguised by illicit practices.

Compliance with sanctions regime is not easy since sanction regulations are vague and complex. On the other hand, potential consequences of non-compliance even if inadvertent can be draconian, including criminal liability (and imprisonment), significant fines, exclusion from the US/UK/EU banking system and reputational damage. Insurers are also barred from offering any support in the event a vessel is trading in breach of sanctions and all insurance covers would be withdrawn.

PSL has a clear policy to comply with all applicable sanctions regimes, set out as under:

- All our ships are employed on lawful trades only.
- PSL ships never switch off their Automatic Identification System ('AIS'), even while transiting piracy high-risk-areas, so our ships' trading areas can be verified at all times.
- All the contracts with Charterers pursuant to which our ships are employed include the BIMCO sanctions clause or equivalent, whereby the Charterers warrant, at the date of this Charter Party and throughout its duration, they and any sub-charterers, shippers, receivers, and cargo interests

are not a Sanctioned Party; and that Charterers shall not give any orders for the employment of the Vessel which involves a Sanctioned Party or a Sanctioned Activity.

- In addition, the contracts also include a Trading Exclusion clause which lists out all areas/countries known to fall under sanctions.

4. Maritime Cyber Security Management

In the 'Interim Guidelines for implementation of Maritime Cyber Risk' published by IMO, it has been agreed that, no later than the first annual verification of the company's Document of Compliance after 1 January 2021, the cyber risk management system should be incorporated into the Safety Management System. We have already completed this process and a 'Cyber Security Manual' has been included in the Company's Shipboard Operating Procedure (SOP).

The following are the performance outcomes of environmental compliance: [GRI 307-1]

No. of cases brought through dispute resolution mechanisms for non-compliance	0
No. of non-monetary sanctions for non-compliance	0
Monetary value of significant fines for non-compliance	0

Having successfully outlined and explained the significant maritime regulations that safeguard the environment and those that will soon play a significant role, the next section details the Company's internal environmental control system.

Protection and conservation of the environment

ISO 14001 Certification

With an increasing demand for environmental conservation the Company has established an "**Environment Protection Policy**". In addition to minimum requirements based on international conventions and regulations, the Company implements an Environment Management System (EMS) complying with the ISO 14001 standards. ISO 14001 provides a framework for a holistic, strategic approach to the Company's environmental policy, plans and actions, and demonstrates that the Company is an environmentally responsible organization. The Company first obtained the Certificate of Environment Management Systems Registration, issued by Class NK, in the year 2009 as per the standards of ISO 14001:2004. The standards are being upgraded periodically and accordingly the Company's present certificate is as per ISO 14000:2015 standards. The EMS supplements the Quality Management System, meeting ISO 9001 standard, and the ISM code. This integrated Management System is known as Safety Quality and Environment Management System (SQEMS). According to the SQEMS, the Technical Manager, who also heads the Management Company, is appointed as the "Management Representative" and is also the "Designated Person" for the purpose of the ISM code. Most dry bulk shipping companies do not obtain this certification which is the exclusive preserve of tanker companies where protection of the environment is the paramount issue. We however choose to hold ourselves to a much higher non-mandatory standard.

Objectives of the EMS

- Minimize pollution caused to the environment
- Comply with all national, international legislations and other regulations pertaining to pollution of the environment
- Establish procedures for the efficient use of natural resources
- Improve environmental awareness of all employees
- Ensure effective monitoring of the environmental performance of the Company is carried out
- Ensure continual improvement of environmental performance and pollution prevention

Through periodic review and continual improvement of our SQEMS, the Company hopes to elevate environmental performance over the coming years and make significant contribution to conservation of the environment and reducing the Company's carbon footprint. Another tangible effort being made by the Company to reduce the environmental impact of the business is the adoption of new environment friendly technology on new ships acquired.

Use of New Technology and Innovations [GRI 102-11]

The Company's commitment to protection and conservation of the environment and prevention of pollution is reflected in the newbuilding vessels that the Company ordered and took delivery from various shipyards in China as explained in this Annual Report. These vessels were built to comply with all regulations presently in force and those which are known to become applicable in the foreseeable future. In addition, wherever practical, the vessel's specifications exceed those mandated by regulations, both for ease of operations as well as to enhance the vessels' ability to protect and conserve the environment.

"Green" features of the newbuilding ships that we took delivery of in the recent past are:

1. Double Hull construction is utilized (for 38,500 DWT bulkers) to minimize environmental pollution in case of accidental hull damage.
2. The vessels' hull form was perfected after several rounds of careful design analysis using the latest technology, with a view to arrive at the most optimal combination of ship-size & shape to achieve the desired speed at minimum fuel consumption. The fuel consumption of these vessels is far less than comparable sized older ships. Such low fuel consumption is achieved by combining a highly fuel-efficient main engine with a new design of slow-speed, large diameter, and high-efficiency propeller on an optimized hull form.
3. To reduce carbon footprint and increase thermal efficiency of these ships, the exhaust of auxiliary engines is routed through the composite boiler. This improves waste-heat recovery and reduces the consumption of oil for the burner.
4. These ships were fitted with onboard treatment plants for ballast water which fully comply with IMO regulations enforced from 8 September 2017. These treatment plants are designed to remove, render harmless and thereby prevent the transfer of harmful bacteria and invasive species of micro-life through ballasting and de-ballasting operations between ports.
5. Engines fitted follow the required Nitrogen oxide (NOx) emission standards.
6. The 38,500 DWT ships have flush, box-type ship-sides for cargo holds. This reduces the accumulation of cargo residues in the holds, thereby reducing the need for harmful cleaning chemicals for removal of the same, since the holds can be cleaned using water only.
7. Deep-well sump pumps for Main Engine oil circulating system - this reduces the overall quantity of lubricating oil required for the Main Engines, which in due course reduces the quantities of waste oil.
8. The vessels were fitted with large incinerators, well above the requirements of MEPC 76 (40) Standards, to burn waste and sludge. This ably supplements the Company's garbage and waste management system which is already in operation on all the Company's vessels.
9. Larger capacity Bilge water/sludge storage tanks - these enable environmentally friendly waste disposal ashore by allowing more flexibility in selecting the best waste disposal facilities ashore separately for oily water and sludge.
10. Improved bio-based Sewage Treatment Plants are installed on the ships.
11. Ships follow the IMO's "Ship Recycling Convention": The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009, was adopted in May 2009. It is aimed at ensuring that ships, when recycled after reaching the end of their operational lives, do not pose

any unnecessary risk to human health and safety or to the environment. Presently the Convention is open for accession by States. It will enter into force 24 months after the date on which 15 States, representing 40% of world merchant shipping by gross tonnage, have either signed it without reservation as to ratification, acceptance or approval or have deposited instruments of ratification, acceptance, approval, or accession with the Secretary General. Furthermore, the combined maximum annual ship recycling volume of those States must, during the preceding 10 years, constitute not less than 3 percent of their combined merchant shipping tonnage. Though the convention has not yet come into force, our fleet is already compliant with this requirement and all ships hold a International Certificate of Inventory of Hazardous Material (IHM).

A few significant developments in respect of new ship-design and construction are outlined below. As far as practically possible, the Company will take these into consideration while acquiring new ships in the future.

Eco-friendly ships

Shipping is one of the cleanest and greenest industries among all international transport industries. It is also an environmentally friendly and fuel-efficient industry. It is estimated that shipping carries roughly 90% of world trade, and yet, according to the latest figures published in 2022 following the 4th GHG study, international shipping is responsible for just 2.51% of global CO₂ emissions. Nevertheless, the shipping industry continues to look for ways to reduce that figure further.

The shipping industry has not yet solved all its green issues. Present endeavors of the industry and the IMO are two-fold:

- For existing vessels: Reduce intensity of carbon emissions by imposing restrictions on design as well as operational parameters. The introduction of EEXI and CII regulations by the IMO in June 2021 – as described above.
- For new vessels: Use of improved hull designs and more fuel-efficient engines and technology.

Ballast Water Treatment [GRI 303-1, 303-2, 304-1, 304-2]

Ballast water, if discharged without treatment, could cause damage to the local ecosystem at the point of discharge. Ballast water treatment is a process used by ships to remove harmful organisms and pathogens from their ballast water before it is released into the ocean. This can help prevent the spread of invasive species and protect marine biodiversity. Presently, the Company's policy is to carry out mid ocean ballast water exchange, to prevent the transfer of harmful aquatic organisms at the point of discharge. This already serves to mitigate, if not totally cut out, the damage to the indigenous biodiversity of the ports the Company's vessels visits. The Ballast Water Management Convention came into force on 8 September 2017. All new vessels keel laid from this date are required to be fitted with IMO approved ballast treatment plants. All existing vessels are required to retrofit such plants in a phased manner along with surveys associated with first renewal of IOPP (International Oil Pollution Prevention) certificate after 8 September 2019.

The Company has already fitted Ballast Water Treatment plants on 37 vessels in our fleet as of December 2022. One remaining vessel will be fitted with a Ballast Water Treatment plant in 2Q 2023.

Fresh Water

The Company recognizes that water resources are a critical component of the ecosystems where the Company conducts its business. The Company is committed to lowering fresh water obtained ashore.

To reduce the water received from shore-based sources, the Company produces water through the freshwater generators on board each vessel. A freshwater generator is a vital machinery system used onboard ships. This machine is used for the conversion of seawater into freshwater by vacuum distillation based on evaporation and condensation. However, the remaining fresh water for consumption is sourced from ashore. Arguably, this eats into the fresh water supply available for communities ashore and so it is our endeavor to reduce water sourced from shore-based sources over time.

The Company has set a goal of reducing water purchased from shore-based sources by 25% by the year 2029 compared to a 2019 baseline year.

In 2022, Fresh water quantity increased slightly as compared to 2021, this is mainly due to some vessels' prolonged anchorage and port stay. The Company will take measures to reduce water consumption on board by encouraging ships' crew to minimize wastage of fresh water and maintain fresh water generators on a regular basis so as to maximize production of fresh water on board.

Water Purchase Data from PSL's fleet

Description	2019	2020	2021	2022
Water received by the whole fleet of the Company from onshore per annum (Tonnes)	23,349	21,882	20,175	20,580

Climate Change and Green House Gases Emissions [GRI 302-4, 305-5]

Green House gas emissions and Sulphur dioxide pollution have reached hitherto unseen heights and focus on the environment has become even more important. Organization's world-over have become more environment-conscious, and shipping is no exception. The IMO has taken positive steps in this matter by effecting several legally binding regulations to be adopted by the shipping industry.

Apart from the existing Emission Control Areas that require ships to burn fuels which contain no more than 0.1% Sulphur, another global regulation that entered into force from 1 January 2020, requires that the Sulphur content of marine fuel which is burnt in engines and boilers to be capped at 0.5%. The availability and quality of the low Sulphur fuel oil, referred to as compliant fuel, is one of the challenges that was expected to be faced by the industry in the year 2020. The other option, being fitment of scrubber units on vessels, besides being both technically and financially challenging, is further in doubt as a suitable solution, as these are designed to remove Sulphur pollution from the atmosphere and transfer the same as a pollutant to the seas. Many ports have banned the use of open-loop scrubbers because of the environmental risks associated with discharging the scrubber washwater into the ocean. The washwater from open-loop scrubbers contains high levels of pollutants, including toxic chemicals and heavy metals, which can harm marine life and the wider ecosystem.

The Company is committed to sustainable long-term measures to improve the environment and has therefore opted for operating the vessels with more expensive compliant fuels. The vessels had prepared to operate with this compliant fuel by cleaning all fuel tanks, sub dividing large fuel tanks into smaller tanks capable of handling smaller parcels of fuel without mixing, using suitable additives and lubricants, and conducting pre-joining and on-board on the job training for the crew to meet these challenges.

In April 2018, the IMO adopted a resolution on the strategy of a 50% reduction of total GHG emissions by 2050, as compared to the levels of the year 2008. To achieve this, like the EU MRV which has been implemented from January 2018 for all vessels operating in the EU region, the IMO has made it mandatory from 1 January 2019, for all vessels to implement the IMO DCS. This requires vessels to report annual fuel oil consumption worldwide to IMO through the flag administration. The regulation also requires the existing SEEMP to be updated and certified by the flag authority or a recognized organization. This system is expected to generate reliable data to monitor and assess the progress of efforts to reduce the emission of GHGs.

The Company's vessels have implemented the SEEMP required by MARPOL Annex VI regulations, from January 2013. All vessels have implemented both the EU MRV and IMO DCS, and the data on fuel consumed and distances steamed during the year are reported to the IMO as well as the EU after verification by a Recognized Organization.

To formalize the Company's commitment towards preserving and conserving the environment and to reduce carbon footprint, the Company completed the transition audit for ISO 14001 on 30 August 2017 and received the new ISO 14001: 2015 certification from Class NK of Japan. Prior to this transition, the Company was holding the ISO 14001:2004 certification which was issued on 18 December 2009. The ISO 14001:2015 provides a framework for a holistic and strategic approach to the Company's environmental policy, plans and

actions, and will demonstrate that the Company is an environmentally responsible organization, and that all operations are conducted in an environmentally sustainable manner.

From 2014, as part of the Company's commitment to the reduction of GHGs, all vessels have been maintaining records of Carbon Dioxide emissions, from burning fossil fuel in the engines and boilers. The average carbon intensity per transport, measured in Grams CO₂ emitted per Tonne-Nautical Mile was 12.884 gm CO₂ in 2014. Over the years this has improved and the figure for 2022 is 7.14 gm of CO₂ per tonne-mile. It is to be noted that this is the average for the entire fleet of 38 vessels. The Company also operates 8 highly fuel efficient 'Eco' Ultramax vessels where in 2022 we have achieved 4.43 Grams of CO₂ per Tonne - Nautical Mile.

Emissions Data from PSL Vessels [GRI 302-1, 305-1, 305-2, 305-4, 305-7]

Categories	Description	Unit of Measure	2020	2021	2022
CO ₂ Emissions	Total CO ₂ emitted by all the vessels in the fleet	metric tons (t)	480,763.05	521,648.64	491,824.02
	Average Carbon Intensity Index (CII)	grams/tonne-mile	7.19	7.42	7.14
	Note: Method for calculating the CII and after the figures for total fuel consumed and distances sailed by each vessel were verified by the Recognized Organization (ClassNK for PSL's fleet)				
GHG Emissions	Direct GHG emissions (Scope 1) (The CO ₂ equivalent generated from the voyage charters*)	t-CO ₂ e	-	49,059	5,341
	Direct GHG emissions (Scope 1) (The CO ₂ equivalent generated by the Company's vehicles)	t-CO ₂ e	-	15	25
	Direct GHG emissions (Scope 1) (The CO ₂ equivalent generated by the refrigerant on board)**	t-CO ₂ e	-	-	5,661
	Total Direct GHG emissions (Scope 1)	t-CO ₂ e	-	49,074	11,027
	Indirect GHG emissions (Scope 2) (Purchased electricity - Onshore operations)	t-CO ₂ e	-	64	68
	Total GHG emissions (Scope 1 & Scope 2)	t-CO ₂ e	-	49,138	11,095
	GHG emissions (Scope 3) (The CO ₂ equivalent generated from the time charters***)	t-CO ₂ e	-	477,647	491,254
	Total GHG emissions (Scope 1, Scope 2 & Scope 3)	t-CO₂e	-	526,785	502,349
	Note:				
	<p>* Voyage charter is considered as Scope 1</p> <p>** Starting to report of refrigerant on board in 2022</p> <p>*** Time charter is considered as Scope 3</p> <p>1. Scope 1 & 3 were calculated based on;</p> <ul style="list-style-type: none"> • CO₂ emission from mass-based EF per fuel type as given by the 2018 EEDI Guidelines (IMO, 2018a) • CH₄ and N₂O emission from default emission factor of water-borne navigation (IPCC2006, Volume2 Chapter3 Mobile Combustion) • Global Warming Potential (GWP) as per the IPCC Fifth Assessment Report (AR5, 2014) <p>2. Scope 2 was calculated using the site-based method. Grid emission factor adopted from the latest Electricity Emission Factor published by Thailand Greenhouse Gases Management Organization (TGO); Thai National LCI Database (2016-2018), TIISMTEC-NSTDA, AR5</p> <p>3. The numbers and calculation methodology of GHG emission data for 2021 and 2022 have been verified by SGS (Thailand) Limited</p>				

Categories	Description	Unit of Measure	2020	2021	2022
Energy Consumed	(1) Total energy consumed (Total energy consumed by the fleet)	Gigajoules (GJ)	6,482,761 GJ	6,960,682.8 GJ	6,705,772.8 GJ
	(2) percentage heavy fuel oil	Gigajoules (GJ), Percentage	5,839,644 GJ from Heavy oil (VLSFO); 90.08% of the total energy consumed was from VLSFO i.e. Heavy Fuel oil with S content lower than 0.5%	6,259,806 GJ from VLSFO; 89.90% of total energy generated was from VLSFO	5,814,816 GJ from VLSFO; 86.70% of total energy generated was from VLSFO
Energy Efficiency Design Index (EEDI)	Average Energy Efficiency Design Index (EEDI) for new ships (Average for 10 vessels)	Grams of CO ₂ per ton-nautical mile	4.062	4.062	4.062
Electricity	Electricity consumed (Purchased electricity - Onshore operations)	Kwh	208,623	126,106	135,025
Other Emissions to Air	(1) NOx (excluding N2O) (Based on accepted empirical values for emission factors)	Metric tonnes (t)	7,700 approx.	8,263 approx.	7,954 approx.
	(2) SOx (Assumption of 0.5% S in VLSFO consumed and 0.1% in LSMGO consumed)	Metric tonnes (t)	1,421	1,523	1,426
	(3) particulate matter (empirical)	Metric tonnes (t)	700 approx.	612 approx.	574 approx.
Implemented Ballast Water	(1) exchange	Percentage	35% approx.	25% approx.	16% approx.
	(2) treatment	Percentage	65% approx.	75% approx.	84% approx.
Spills and Releases to the Environment	(1) Number	Number	Nil	Nil	Nil
	(2) aggregate volume	Cubic meters (m ³)	Nil	Nil	Nil

This reduction of CO₂ emissions is the result of several measures which have been adopted by the Company. Of these, a few important ones are as follows:

- Improved Voyage Planning with reduced ballast passages and port stays
- Maintaining optimized speed so that the vessels are just in time for the required schedules
- Weather routing to take advantage of ocean currents and optimized routes avoiding rough weather
- Optimizing of speed and operating the vessels on eco-speeds wherever possible
- Maintaining optimized trim to improve performance
- Maintaining the external underwater hull and propeller in clean condition so that frictional losses through the water are kept to a minimum
- Employing efficient hull coatings (anti-fouling paints) which ensure that the hull is maintained in clean condition
- Avoiding wastage of electric power on board
- Maintaining the diesel engines and other fuel burning equipment in efficient condition
- Disposing waste sludge generated by Fuel purification to shore facilities, despite the costs, rather than using incinerators on board
- The performance of some vessels has been improved by retrofitting fuel saving devices like the Mewis Duct, Pre-Shrouded Vanes and Hub Vortex Absorbed Fins

Further, several older and less fuel-efficient vessels of the fleet were replaced between the years 2013

to 2017, with 'Eco' vessels. 'Eco' operation is made possible by larger cargo hauls, reduced fuel consumption on account of better hull lines, lower lightship and very efficient electronically controlled engines and optimized use of waste heat from the engines (even the exhaust gases from the auxiliary engines is diverted through the boiler to use the available heat). Our new Eco vessels emit approximately 35% less CO₂ per unit transport work as compared to the older vessels in the fleet. At the same time, the Company seriously evaluates all new developments carefully, as several builders' claims are often exaggerated to get fresh business and when technical parameters such as the calorific value of fuel, design and scantling draft and 'sea margins' are taken into consideration, the so-called benefits simply do not exist, or they are not cost-effective. In any event, the Company looks very closely at the machinery on all new acquisitions, whether new buildings or secondhand vessels, and monitors their performance very carefully to arrive at optimum speed and consumption variables, while ensuring that emissions are kept to a minimum.

We have made a substantial reduction in our carbon footprint and this is expected to improve further through optimization measures like shorter ballast passages and port stays, larger cargo hauls and slower steaming. In the year 2014, the average carbon intensity per transport work was estimated at 12.884 Grams CO₂ per Tonne – Nautical Mile, and in the year 2022, it was estimated at 7.14 Grams CO₂ per Tonne - Nautical Mile; which equates to a reduction of 44.6%.

The Company is also a member of the Getting to Zero Coalition, which aims to place zero-emission vessels in operations by 2030. As a member of the coalition, the Company is carefully monitoring developments in technology in the Marine field, which offer vessels that operate with zero emissions. The range of sources of power with zero emissions, is extensive, but largely in the research stage. The feverish pace of Green Technology aims to decarbonize Marine Transport by offering alternative low-carbon and zero-carbon fuels like Biofuels, Methanol, Ammonia, Hydrogen and innovative renewable energy options like Wind power, solar power, and Electric propulsion.

LNG is considered by many to be a transition fuel on the pathway to the zero-carbon future of the Shipping industry. It has virtually no SO_x and very low NO_x emissions, and as compared to fuel oil has almost a 30% reduction in carbon dioxide emissions. However, LNG is mostly made up of Methane, which is a highly potent GHG, far more harmful to the environment than CO₂. The use of LNG from "well to wake" involves a leakage of Methane to the atmosphere, referred to as 'Methane slip'. It is estimated that for the same amount of emission, Methane warms the planet 30 times more in a short span of 12 years, as would CO₂ in a hundred years. Hence, until a solution is found to address or substantially reduce 'Methane slip', LNG cannot be considered a viable option to reduce GHGs.

The Company's commitment to the environment led to the early induction of 'ECO' vessels. Similarly, it is expected that as soon as commercially viable options of these next generation zero emission 'green' vessels become available, they will also form part of our fleet.

Waste Management [GRI 306-2]

Mitigation measures are used to manage planned waste, reduce its impact on the environment and ensure compliance with applicable laws, standards, and policies. The Company implemented the garbage management plan to treat waste generated onboard. It shall also designate the person or persons in charge of carrying out the plan. It is a requirement under the International Convention for the Prevention of Pollution from Ships (MARPOL) for all ships operating in international waters. This plan shall provide written procedures for minimizing, collecting, storing, processing and disposing of garbage, including the use of the equipment onboard ship. The purpose of the plan is to minimize the amount of waste generated on board and to ensure that all waste is properly disposed of, in order to reduce the risk of marine pollution and preserve the health of the oceans and coastal areas.

Food waste [GRI 306-1]

IMO defines food waste as any spoiled or unspoiled food substances and includes fruits, vegetables, dairy products, poultry, meat products, and food scraps generated onboard ship. Food waste on board may be disposed of onshore or shredded by food waste disposer grinds food waste into small pieces and disposed of at sea (beyond 3 or 12 nm from the nearest land). The actual disposal route must be recorded in a Garbage Record Book. To reduce pollution, the Company continuously trains and updates crew members, as well as onshore personnel, on our policies and requirements for strict adherence to MARPOL and general environmental awareness.

The Company has set a goal of reducing food waste by 20% within the year 2029 compared to a 2020 baseline year.

Description	2020	2021	2022
Food waste (Cubic metre:m ³) [GRI 306-3]	239	209	235

Some practices have implemented to reduce food waste onboard a ship:

- Meal planning: Plan meals carefully, taking into account the number of crew members, their dietary needs, and the amount of food available.
- Portion control: Serve appropriate portions to avoid over-serving and reduce waste.
- Proper storage: Store food properly to extend its shelf life and reduce spoilage.
- Inventory management: Keep track of food inventory to avoid overstocking and reduce waste.
- Food waste digester: Use of a food waste digester can help to break down food waste and reduce its volume.

Sludge disposal [GRI 306-1]

Another source of harmful substances generated by our ship's consumption of fuel and diesel oil is sludge. Sludge is a product of 'on board' fuel oil purification and as an alternative to incinerating sludge and releasing even more harmful gasses into the environment, the Company has made a substantial effort to dispose of such material to shore-based reception facilities. This is a much more expensive way for dealing with this issue, but the Company is committed to reducing its carbon footprint and reflects the Company's efforts towards environmental conservation. Waste oil or sludge generated on each ship is about 1% of all fuel burnt. Empirical research suggests that every ton of oil burnt generates approximately 3 tons of CO₂. By delivering sludge to a suitable reception facility, this waste can be recycled to make products like grease which is a lubricant widely used in multiple industries. To reduce CO₂ emission from incinerators, the Company intended to deliver more sludge disposal ashore.

Description	2020	2021	2022
Sludge disposed of ashore (Cubic metre:m ³) [GRI 306-5]	1,685	1,849	1,590

Green Procurement and Using Resource Efficiency

Green procurement refers to the process of acquiring goods and services in an environmentally responsible manner. Following are the practices we adopted to promote green procurement:

- Promote the use of products from recycled materials, products with energy-efficient features, or products with certifications for environmental sustainability.
- Assessing suppliers based on their environmental practices and selecting suppliers that have a strong commitment to sustainability.
- Reducing packaging waste and reusing or recycling products and materials.
- Promote digitalization - Moving from a paper-based process to a digital workflow.

- Educate our crew members on board and staff on shore about the importance of green procurement and best practices for reducing environmental impact.
- Monitor and evaluate the performance of suppliers and the impact of procurement decisions on the environment, and continuously improve practices to reduce environmental impact.

The Company encourages optimal use of resources at the office by:

- using by-products and eco-friendly materials i.e., recycled paper
- reusing paper that has only been printed on one side
- encouraging the use of reusable bags and containers to avoid the use of single-use plastic
- supporting our staff to learn and understand how to optimize resource consumption to promote environmental preservation and proper consumption behavior

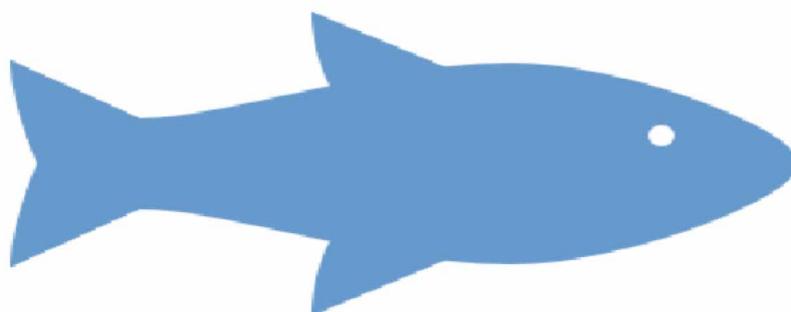
We are pleased to report that the Company presents this Annual Report in a digital form, and if at all, a printed version is required, it is printed on recycled paper. This is our token contribution to the conservation of the natural environment and in line with our stated desire to reduce our carbon footprint.

Marine Mammals Protection [GRI 304-1, 304-2]



(A) What dangers do marine mammals face from international shipping?

Life for a marine mammal in today's world is tough. Many of the struggles that marine mammals face is sadly due to human negligence and interference.



The three biggest threats marine mammals face from international shipping are:

Ship Strikes

Fast-moving ships can collide with marine mammals, causing injury or death. To illustrate, ship strikes have been identified as the number one reason for the disappearance of the North Atlantic Right Whale. The Right Whale is only one of many marine mammal species that are at risk of being hit by high-speed ships. It is estimated that over 90 manatees die prematurely due to ship strikes every year in Florida.

Acoustic Pollution

Loud noises from ships, sonar, drilling rigs, and other human sources can interfere with the ability of marine mammals to communicate, find food, mate and navigate. Scientists believe that acoustic noise pollution prevents these mammals from being able to detect approaching ships or fishing nets, adding to the risk of being killed.

Oil Spills

Oil spills have both short-term and long-term effects on marine mammals. Animals like seals and otters that are exposed to oil will automatically try and lick the oil off their fur. Toxic chemicals in oil cause serious damage to the digestive system and internal organs. Thick, sticky oil has also been shown to clog the blowholes of dolphins and whales, causing them to suffocate. In the long term, exposure to petroleum can cause reproductive damage, making it difficult for populations to repopulate in the wake of oil spills. Otter populations are only just starting to come back after the Exxon-Valdez spill.

(B) What species are most in danger?

An 'At-risk species' is one in which the population viability is at risk due to ship strikes. Viability may be influenced by a number of single or interacting factors including: the proportion of a population in high risk areas, populations that are prone to ship strikes, for species that swim slowly or remain at surface for long periods of time (sperm whales, humpback whales, bowhead whales and right whales), or for populations that have a small number of reproductively mature females (e.g. western gray whales, eastern North Pacific right whales, Arabian Sea humpbacks and Chile-Peru right whales).

At-risk species

1. Fin whale
2. Humpback whale
3. North Atlantic right whale
4. Sperm whale

They account for 69% of reported collisions.

(C) Result of ship strikes

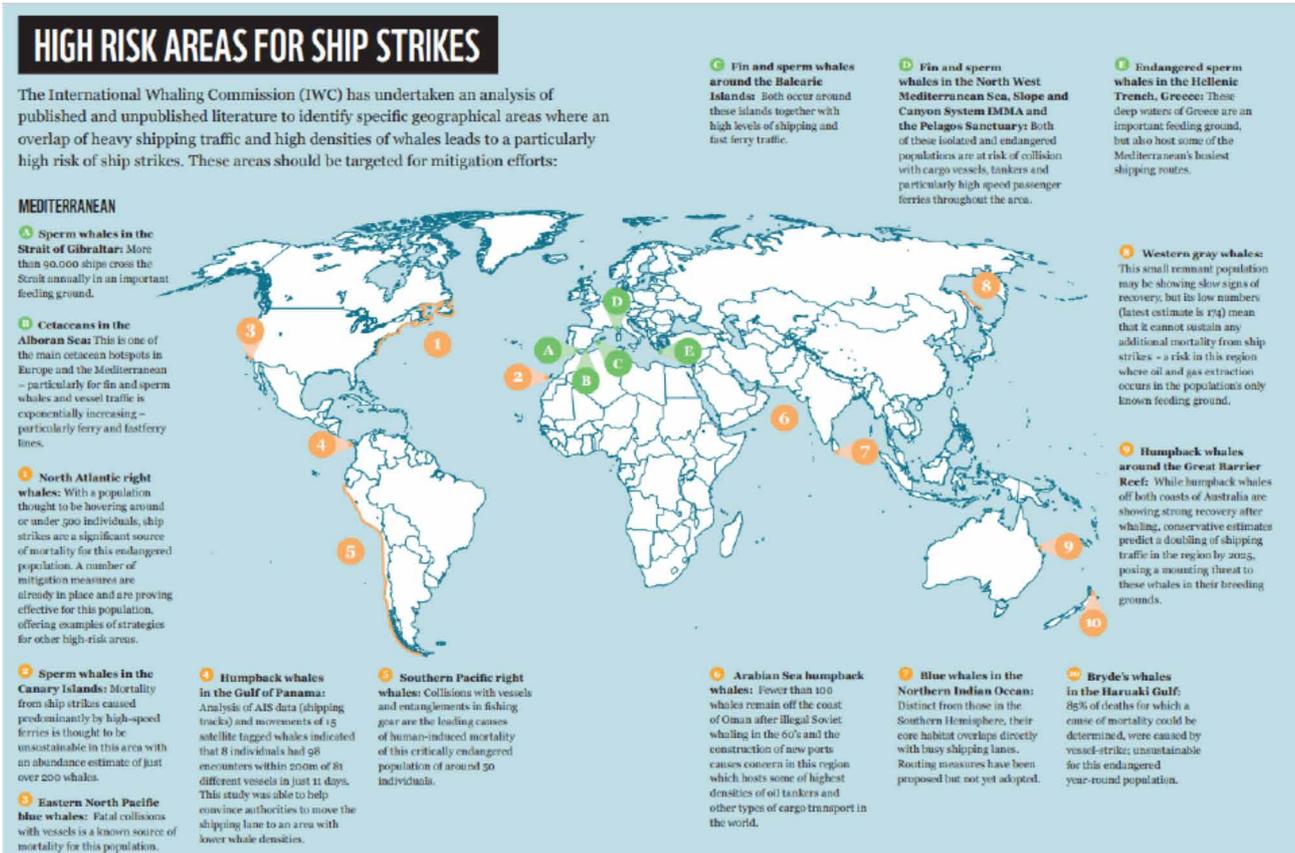


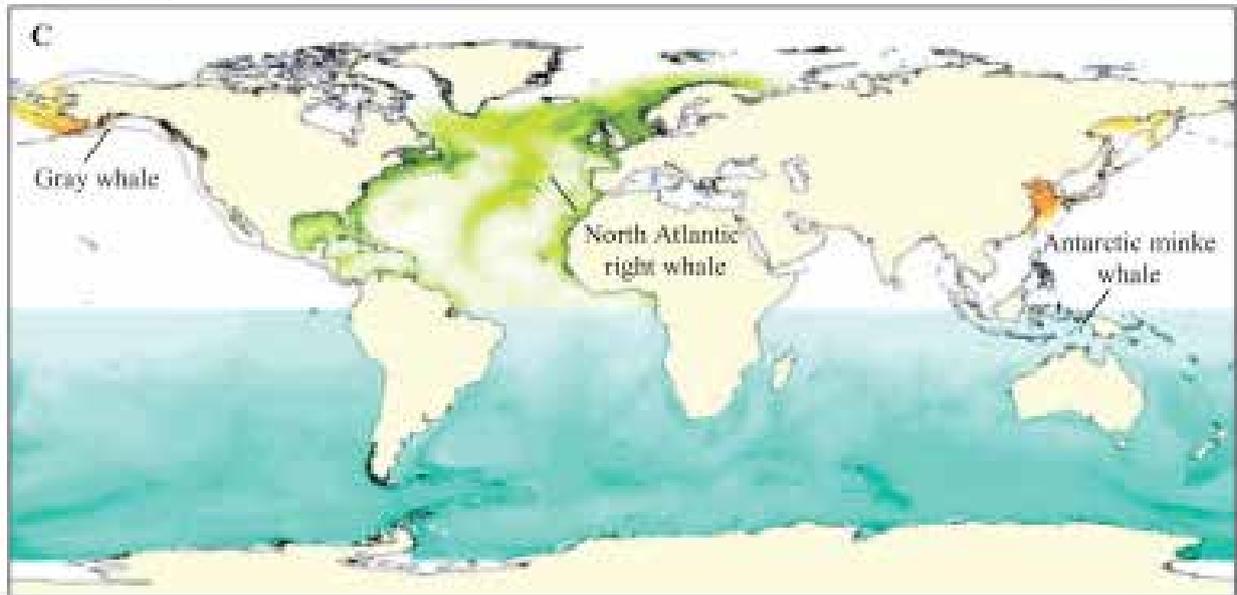
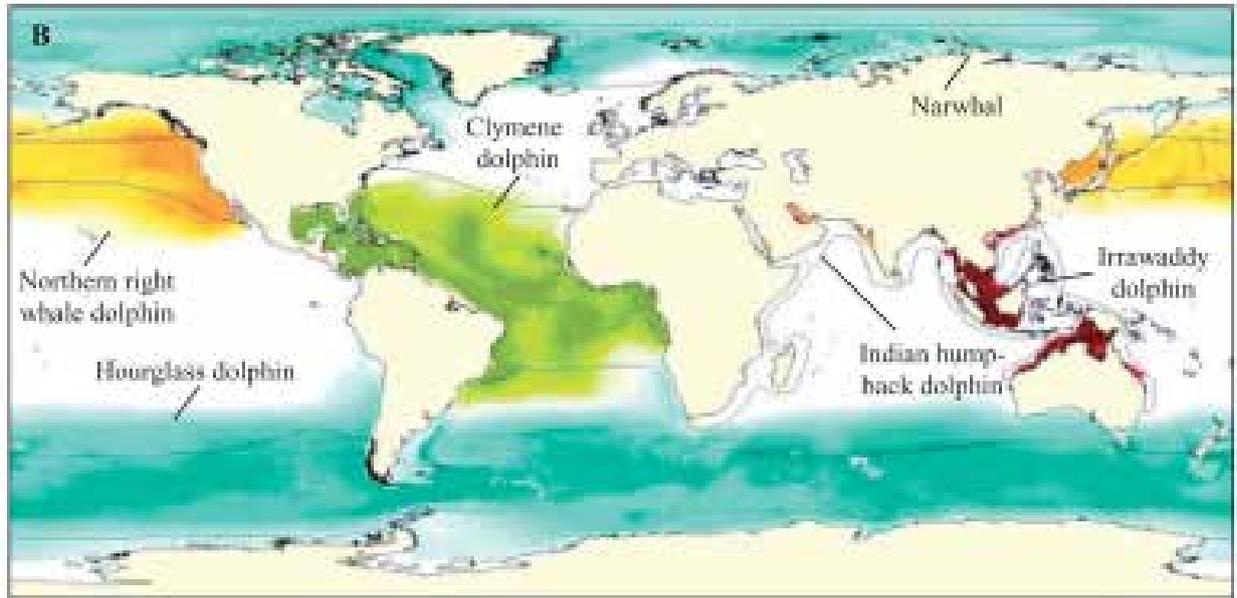
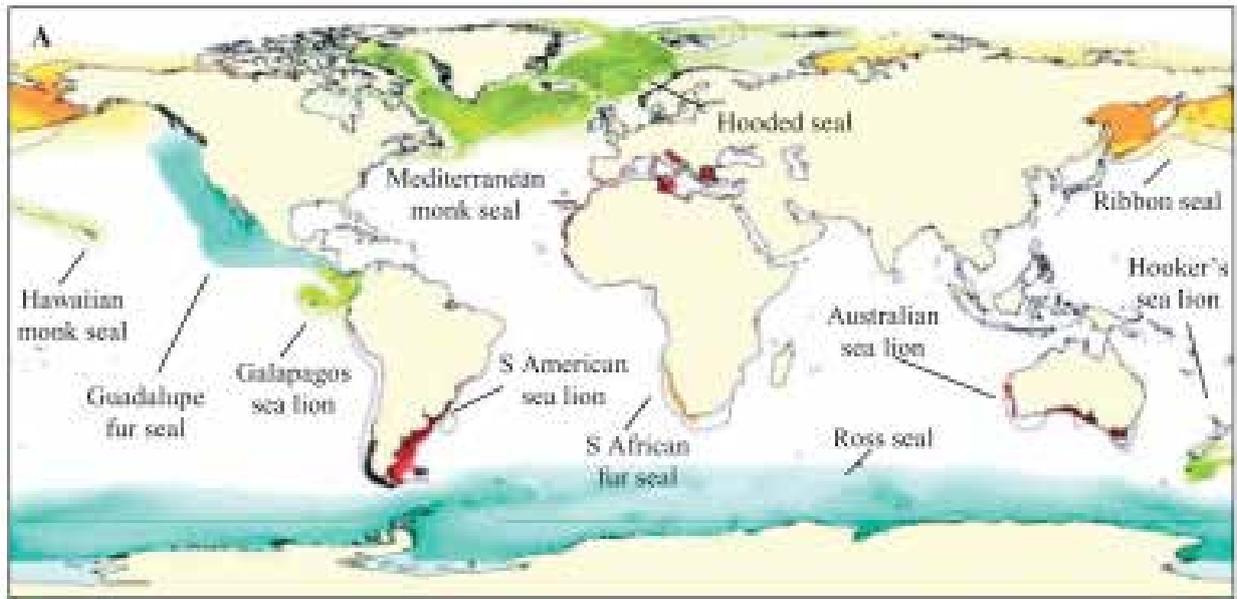


(D) Near Miss



(E) High risk areas





(F) Our commitment

In order to achieve our objectives, we have had one of the UK's leading whale and dolphin conservation charities ORCA, train and certify six of our in-house Master Mariners and one technical superintendent on 'Ship Strike Mitigation & Understanding Important Marine Mammal Areas.

The Navigational Officers on board the Apiradee Naree have been trained on the subject and are successfully submitting survey information into the ORCA Portal while at sea. The vessel has been provided with a dedicated tablet with the ORCA Ocean Watchers app installed, and Reticle Binoculars (Rangefinder Binoculars), which estimate the distance at which the mammal is spotted.

We have set the following KPIs for the Apiradee Naree, this aligns with our corporate objectives.

- a) ZERO disposal of food waste in areas identified as important for marine mammal population (IMMAs) and Particularly Sensitive Sea Areas (PSSAs).
- b) ZERO incidents of the vessel entering the Sindhudurg-Karwar IMMA, we have achieved this by clearly marking the IMMA and setting it as a 'NO-GO Area' on the passage plan.

(G) What are we trying to accomplish through this exercise?

- Reduce mortalities and injuries to marine mammals as a result of ship strikes.
- Anticipating the likelihood of whale interaction, rather than attempting to react to its presence.
- Increase measures that reduce collision probability, such as re-routing and speed reduction/limits.
- Adhere to mandatory and voluntary mitigation measures.
- Improve reporting of incidents that do occur to ORCA and the IWC Ship Strike Database.
- Collect data and record sightings in the ORCA Ocean Watchers app.
- Identify geographical hotspots.
- Increase awareness about the issue and measures used to reduce this threat.

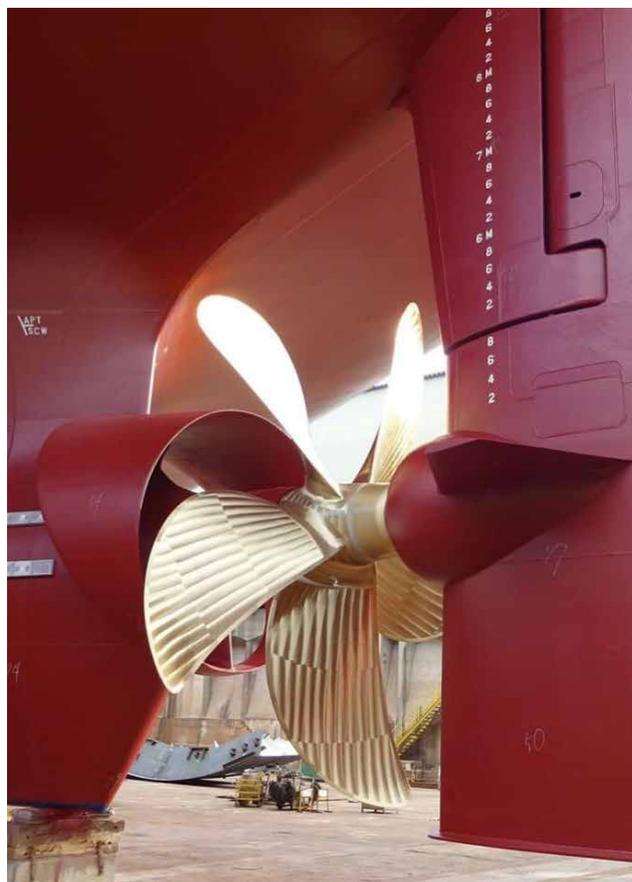
Energy Saving Devices

A cost-effective solution to meet the regulations and improve ship efficiency can be to equip them with Energy saving devices (ESDs) or highly efficient propellers and rudders.

ESDs provide a direct increase in vessel propulsion efficiency by reducing hull resistance and improving propeller thrust. ESDs may include a range of devices. Many kinds of ESDs have been developed, which can be retrofitted to existing vessels or installed in newbuildings.

There are many ESDs, such as ducts, pre-swirl fins, fin on hulls, rudders, etc. These devices reduce fuel consumption by improving the flow around the hull or propeller. Modifications must be done either in front of the propeller or behind the propeller.

In the next few pages, we provide a description of some of the key energy-saving devices installed on our vessels.



Pre-Swirl Devices (Ducts & Stators)

Pre-swirl devices aim to improve the propeller inflow conditions; ducts may improve propulsion efficiency by improving the propeller inflow.

Energy Saving Devices
CMES Tech PSV (Pre-Shrouded Vanes)

Post-Swirl Devices

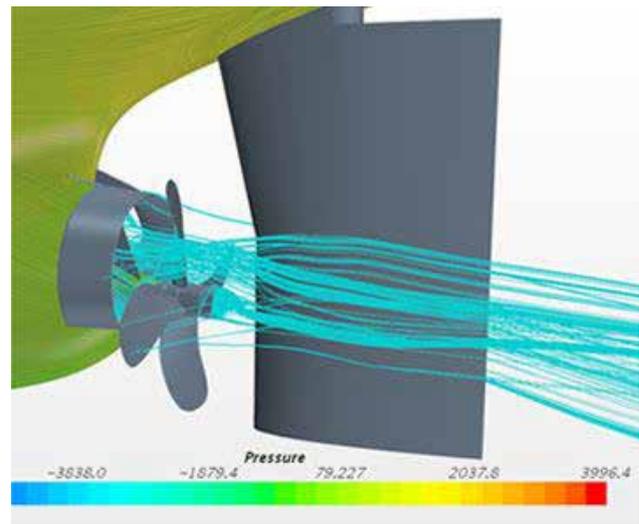
Post-swirl devices are used to recover parts of the rotational energy in the propeller slip stream.

Energy Saving Devices
PBCF (Propeller Boss Cap Fins) / HVAF (Hub Vortex Absorbed Fins)
Grim Vane Wheel

What is a PSV (Pre-shrouded Vanes)?

PSV consists of a wake improving duct combined with several pre-swirl vanes positioned ahead of propeller; PSV can correct the flow into the propeller which essentially reduces the rotational losses in the propeller slipstream and increase the flow velocity towards the inner radius of the propeller. It is an energy-saving device developed for full-form slower ships enabling either significant power savings at a given speed or, alternatively, the vessel to travel faster at a given power level.

Source – CMES Tech



Benefits of PSV

- Improved efficiency: The pre-shrouded design helps reduce turbulence and increase water flow efficiency, which can lead to improved performance and energy savings.
- Increased durability: The shrouding protects the vanes from damage and wear, helping to extend their lifespan.
- Enhanced safety: The shrouding can prevent accidental contact with the spinning vanes, reducing the risk of injury to marine life.
- Reduced noise: The shrouding can help to reduce noise levels.

Power Savings

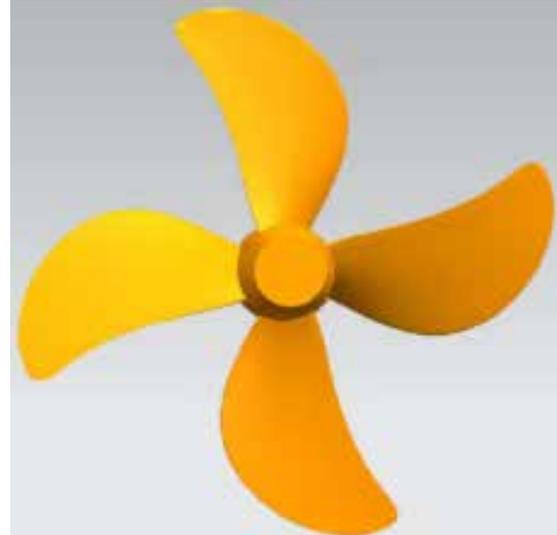
No.	Vessel Type	DWT	Energy Saving
1	Oil Tanker	320,000DWT	7.0%
2	Bulk Carrier	53,000DWT	5.1%
3	Bulk Carrier	57,000DWT	5.4%
4	Chemical Tanker	33,000DWT	5.0%

What is a HVAF (Hub Vortex Absorbed Fins)?

HVAF (Hub Vortex Absorbed Fins) or PBCF (Propeller Boss Cap Fins) is attached, with small fins on the boss cap, at the hub of the ship propeller, which generates countering swirls that offset the swirls (Hub Vortex) generated by the propeller, and thus improves propulsion efficiency. It is installed as the original boss cap, which rotates together with the propeller.



With HVAF

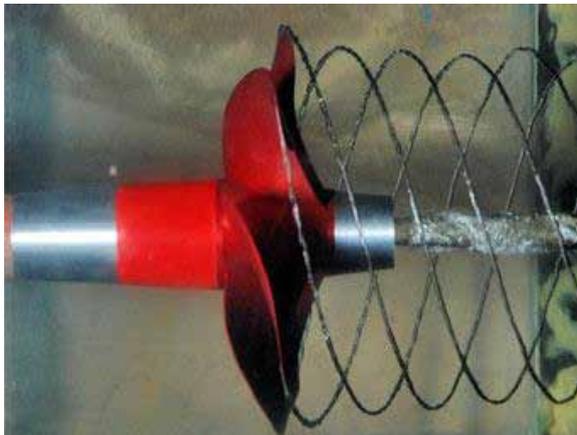


Without HVAF

Source – CSSRC

Mechanism

The HVAF or PBCF is an energy-saving device attached to the propellers of a vessel. It breaks up the hub vortex or swirls generated behind the rotating propeller, resulting in a reduction in fuel consumption.



Before installation of HVAF



After installation of HVAF

Source – CSSRC

Power Savings

Pre-shrouded vanes

The expected power reduction of PSV is in the range of 3% to 7%.

Hub Vortex Absorbed Fins

The efficiency gain by the HVAF is between 1.9% and 2.4%.

Summary

No.	Device Name	Energy Saving Device Type	Energy Saving Effect for 30K DWT Bulk Carrier
1	PSV	Pre-Swirl Duct	3 - 5%
2	HVAF/PBCF	Post-Swirl	1.9 - 2.4%
3	PSV+HVAF	Combined ESD	5 - 7%

Saving Analysis

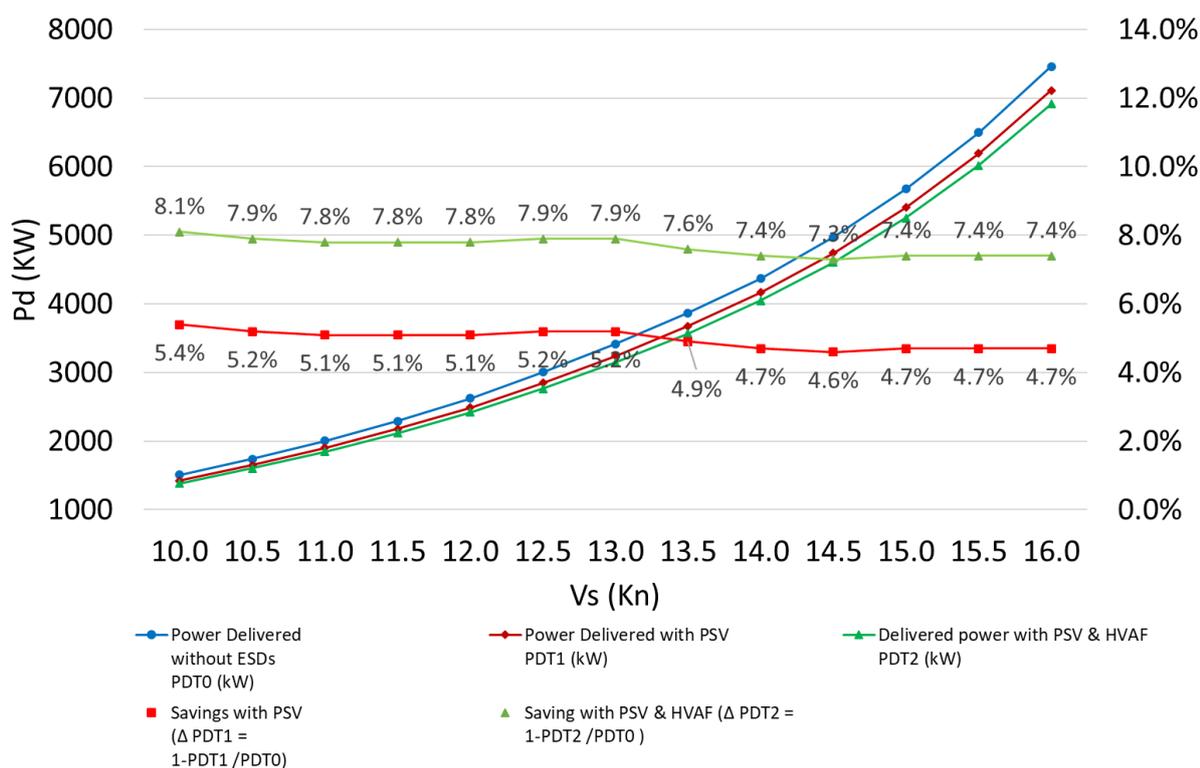
Based on the assumption that a 30,000DWT Bulk Carrier vessel always operates 350 days a year, and consumes about 21 tons of fuel oil per day, i.e., about 7,350 tons/year, the savings are as shown in the table below.

Particulars	PSV+HVAF
Energy Saving (%)	6%
Reduction in fuel consumption (tons/year)	441
Low sulfur fuel cost saving (\$/year)	308,700

Power prediction for a 30k dwt Bulk Carrier under given ship speeds

Load Condition	Speed Vs (kn)	Delivered power without ESDs P_{DT0} (kW)	Delivered power with PSV P_{DT1} (kW)	Savings with PSV $(\Delta P_{DT1} = 1 - P_{DT1} / P_{DT0})$	Delivered power with PSV&HVAF P_{DT2} (kW)	Savings with PSV & HVAF $(\Delta P_{DT2} = 1 - P_{DT2} / P_{DT0})$
Scantling Draft	10.50	1506	1425	5.4%	1384	8.1%
	11.00	1742	1651	5.2%	1604	7.9%
	11.50	2003	1900	5.1%	1846	7.8%
	12.00	2294	2177	5.1%	2115	7.8%
	12.50	2625	2490	5.1%	2419	7.8%
	13.00	3004	2847	5.2%	2766	7.9%
	13.50	3418	3241	5.2%	3149	7.9%
	14.00	3866	3675	4.9%	3571	7.6%
	14.50	4372	4166	4.7%	4048	7.4%
	15.00	4970	4739	4.6%	4605	7.3%
	15.50	5674	5408	4.7%	5255	7.4%
	16.00	6497	6192	4.7%	6017	7.4%
	16.50	7462	7114	4.7%	6913	7.4%

Source – CSSRC Model Test Report



Source – CSSRC Model Test Report

At PSL, the management understood its business implications, evaluated the efficiency of potential designs, and took a leap forward. As part of the strategy, it was decided to retrofit some of the vessels with Hydrodynamic Energy Saving Devices (ESDs), such as THE MEWIS DUCT, PSV, and HVAFs, analysis indicates energy savings in the range of 3% to 6%. Older vessels, which were considered less-fuel efficient were replaced with ‘Eco’ vessels between the years 2013 and 2017. The “Eco” vessels have offered more economical machinery, very efficient electronically controlled engines, lower lightship, better hull-form, and optimized use of waste heat from the engines.

Target

By installing these energy-saving devices on 18 vessels, we were able to achieve energy savings of 3-5%. Future technological developments will be monitored and studied to assess their feasibility and viability for further reducing our emissions.

Conclusion, Environmental Objectives and Goals

Having explained all facets of the Company’s efforts to protect the environment this section concludes with a summary of all objectives put forward and how each will be monitored. Compliance with the ISM, ISPS and MARPOL codes will be monitored by the Company’s internal audit team, and all initiatives subsequently employed to minimize violations will be subject to half-yearly reviews by the Company’s senior management and technical team. As previously stated, the target set by the Company’s management is to have zero violations in 2023. Additionally, the Company will maintain our SQEMS ISO certification. The Company will constantly look for ways to improve the SQEMS and look to incorporate all new regulations into the initiative even before they become effective. Likewise, the Company will also constantly be on the lookout for newer technology that can be employed on its ships to reduce its environmental impact.

The Company additionally uses environmental compliance as one of the major criteria In the screening process of each of its numerous suppliers of spares etc.

Social Performance [GRI 103-1]

The Company treats Corporate Social Responsibility (CSR) as one of its highest priorities and has built it into the Company’s Vision and Mission Statement and Core Values. The Company allocates an amount of 0.50% of net profit every year to CSR Reserve which is subject to a minimum of Baht 1.75 million and a maximum of Baht 25 million per year. Such allocation is decided annually by the Company’s shareholders. The actual utilisation out of this Reserve is decided by the Company’s Senior Management and/or the Board of Directors, and is periodically, or at least once a year, reviewed by the Board of Directors.

Human Rights [GRI 412-1, 412-2]

The Company is dedicated to following its human rights policy and maintaining ethical labor practices to prevent violations of the rights of all stakeholders in its supply chain. The Company has determined guidelines in accordance with the UN Guiding Principles on Business and Human rights (UNGP) and the Declaration on Fundamental Principles and Rights of the International Labour Organization (ILO), and Company follows the local labor laws of the countries in which it operates. The Company also has a strong commitment to inclusion and diversity, offering equal career opportunities and genuine concern for the welfare of its employees.

Risks and Opportunities: The Company recognizes the importance of human and labor rights in its business operations and is committed to mitigating the risks of violating these rights. The Company is aware of the current international attention on the responsible conduct of business in accordance with the international human rights framework and the need to protect rights such as labor rights, privacy, freedom of expression, and promoting gender and social equality. The Company aims to internalize these values and prevent potential violations through risk mitigation strategies throughout its value chain.

In 2022, the Human Rights evaluation have been conducted through questionnaires provided to our main stakeholders i.e. employees, seafarers, and suppliers in the value chain. There has been no violation of human rights for our stakeholders, and there has been no report of a human rights incident.

The process of Human Rights Due Diligence involves the following steps:

- Identifying potential human rights risks and impacts associated with the Company’s operation
- Assessing the severity of these risks and impacts
- Developing and implementing a plan to manage and mitigate these risks and impacts
- Monitoring and evaluating the effectiveness of the plan over time
- Reporting on progress and performance.

Additionally, the Company has promoted employees’ awareness and understanding on human rights by organising a training program on “Gender Equity” for employees who are directly concerned with the organization’s human rights risks.

The Company has committed to conducting comprehensive Human Rights Due Diligence by 2023 in order to prevent any contribution to or causing of human rights abuses and to respect human rights in its operations and business relationships.

The following are the performance outcomes of human rights compliance:

Compliance with Child Labour Incident Risk	
Operations and suppliers are considered to have significant risk for incidents of child labour	0
Operations and suppliers are considered to have significant risk for incidents of young workers exposed to hazardous work	0

Risk for incidents of forced or compulsory labour	
Operations and suppliers considered to have significant risk for incidents of forced or compulsory labour	0
Compliance with Non-Discrimination	
Total number of incidents of discrimination	0
The right to freedom of association and collective bargaining	
Operations and suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated or at significant risk	No such operations
Measures taken by the organization intended to support rights to exercise freedom of association and collective bargaining ^[GRI 102-41]	Paid 161K in annual membership fees, for 370 crew members, to SMOU and SOS in 2022

Customer

Customer Relationship Management

The Company recognises that its success depends on adding value to customers by way of transporting goods from place of production to the place of consumption. The Company has a commitment to provide prompt and substantive replies to customer queries within 24 hours, including weekends and holidays, as part of its communication policy and commitment to adding value to its customers. The Company strives to offer solutions to the Customer's issues, even if its vessels are not involved, as long as it is within the bounds of the agreed contract. The Company is happy to report that its service is well appreciated, and many first-class charterers prefer to do business with the Company over others in the market.

Customer Privacy ^[GRI 418-1]

For customer privacy, the Company insists on protecting customer's confidential information from loss, theft, misuse, unauthorized disclosure, modification, and unauthorized destruction. The Company handles complaints through phone lines, emails, and letters to/from customers. The Company always prioritizes the principles of transparency and responsibility in providing services to its customers to meet the commitment to provide the best service, provide a rapid response to various requests and complaints as part of a service commitment and maintain the confidentiality of its customers. During the reporting period, there have been no complaints whatsoever regarding the mentioned issues and no financial penalties or other sanctions associated with the violation of the confidentiality of customers' data.

Information about our vessels

Full details of all our ships are provided under the fleet list page of our corporate website. In addition, the corporate website has an open positions page which provides details of open ships i.e. name, year of build, deadweight, open dates, open port etc. so that prospective customers and other stakeholders can make informed decisions.

The Company has provided channels on its website for any stakeholders to express their opinion and contact the Board of Directors in case they wish to do so directly, without going through the Management. The Board has and will continue to treat such information seriously and with utmost confidentiality. In an effort to improve the level of service it provides to customers even further, the Company actively solicits the feedback of its customers through a customer satisfaction survey that is sent after the completion of each contract.

Dry bulk vessels are used to transport raw materials and unpackaged bulk cargo such as iron ore, coal, cement, steel, agricultural products, and lumber. These vessels are designed to carry large amounts of these materials and are a crucial part of the supply chain for industries such as construction, manufacturing, and agriculture.

The Company prioritizes cargo safety and timely delivery. The Company has implemented the following health and safety measures to ensure the safety of both the cargo and the crew members aboard the vessel:

- Crew Health: Ensure that the crew is healthy and free from communicable diseases before they embark on a voyage to minimize the risk of transmission to other crew members and visitors.
- Cleanliness: Maintain high standards of cleanliness and hygiene on the ship to prevent the spread of disease.
- PPE: Provide personal protective equipment (PPE) to the crew and visitors as needed to minimize the risk of exposure to hazardous materials or conditions.
- Emergency Response Plan: Develop and implement an emergency response plan to ensure that the Company is prepared to respond quickly and effectively in the event of an incident.
- Communication: Maintain open and frequent communication with customers to keep them informed about the status of their cargo and to address any concerns.
- Risk Assessment: Perform a thorough risk assessment to identify potential hazards and take proactive measures to minimize the risk of loss or damage.
- Vessel maintenance: Regularly maintaining and updating the vessels to meet safety standards, such as fire fighting equipment, life rafts, and navigation systems.
- Safety training: Providing regular training to crew members on emergency procedures, evacuation plans, and safe handling of hazardous cargo.
- Insurance Coverage: Offer insurance coverage options to customers to provide them with financial protection in the event of loss or damage to their cargo.
- Customer Feedback: Encourage customers to provide feedback on the company's services and take action to address any areas for improvement.

There were no significant complaints from our customers in 2022.

Customer Satisfaction Survey

The Company believes that customer satisfaction has a positive and direct effect on profitability and brand value. The Company has set a target to achieve 50% very satisfied customer satisfaction rate for both criteria. Customer Satisfaction results in 2022 presented below

2022 Customer Satisfaction Results

Customer Satisfaction Results	Customer Satisfaction Rating for the Performance of the Master and Ship Staff		Customer Satisfaction Rating for the Performance of PSL's Operations team	
	2021	2022	2021	2022
Very satisfied	50%	56%	50%	59%
Satisfied	50%	44%	50%	33%
Neutral	0%	0%	0%	8%
Dissatisfied	0%	0%	0%	0%
Very dissatisfied	0%	0%	0%	0%

IT Security Policy and Practices

The company has a policy on information technology security as part of its business ethics and code of conduct. This policy is in place to ensure that the use of technology in the business is done in an ethical manner, following governance guidelines. The Company has established and implemented the 'Information Security

Management System Policy' to ensure the protection and preservation of sensitive and confidential information through proper implementation of security measures and procedures. Employees ashore as well aboard ships receive regular cybersecurity awareness training.

Cybersecurity

As modern and technologically advanced ships become increasingly connected and software-dependent on their day-to-day systems, cyber security continues to be a key area requiring increased attention to control operational and safety risks on these ships, while remaining a major issue to be tackled by shipping companies worldwide. We continue assessing this threat to increase our overall security posture and to nurture a secure environment within which the organization can work and minimize the risk of any security breach.

Cyber risk is seen as an area where the threads in the global risk environment come together, and the scale and sophistication of risks keeps growing. This is also fueled in part by geopolitical trends, more state sponsored attacks could add to those cyber-attacks that are financially motivated. Cyber exposure is growing in companies due to the rapid increase of interconnected devices, due to emerging technologies use onboard ships, and the use of artificial Intelligence. The prime focus of our industry will now be our ability to respond to these ever-increasing Cyber-attacks.

Management Information System

As reported in previous years, the new Computer Program implemented by the Company covers all the operations in the Head Office and links all the vessels in the fleet. This software gives real-time information on vessel operations, costs, etc. and keeps the Head Office in close contact with the Master of each vessel; and assists in effective decision making on all issues. This System has enhanced the Company's ability to serve its Customers, and to provide support to its employees serving onboard the ships. This system is now being upgraded to include additional data collection for new reporting requirements and monitoring of vessels' performance through increased digitalization.

Cyber Incident Response

The Company responds to cyber security hazards and threats through analyzing our cyber security gaps and closing all identified gaps of the organization. We have been working on firewall protection measures to prevent external attacks through applications, using a virtual private network (VPN), and inspecting emails from outside the organization. Furthermore, we have restricted access to unsafe sites, established measures to protect companies from viruses, and backed up organizational data to prevent damage from data theft or other incidents that might create impacts on the Company's data systems in the event of an emergency. In this respect, the Company has also conducted emergency response plan drills to maintain response readiness if an incident were to occur.

The IMO resolution MSC.428(98) on Maritime Cyber Risk Management in SMS has already come into effect from 1st of January 2021. The Resolution states that an approved SMS should consider cyber risk management in accordance with the objectives and functional requirements of the ISM Code. It encourages administrations to ensure that proper risk assessments and measures to protect ships from cyber incidents are included in the SMS. It also requires that these measures be implemented no later than the first annual verification of the company's DOC after 1 January 2021. We have already completed this on all our vessels.

Although we have not had any cybercrime incidents till date, at PSL we constantly review and maintain our findings that:

- Our present systems incorporated in Office environment and onboard ships are "robust" enough with the understanding that both IT and OT systems may be involved in cyber security incidents.
- We underwent a Vulnerability Assessment and Penetration Testing in the office IT infrastructure by Nettitude, a subsidiary of Lloyds Register and a member of CREST which is recognized globally as the cyber assurance body for the technical security industry. A vulnerability assessment was also done on a sample vessel in the fleet. Based on the gap analysis report, we have acted and

completed all the recommended measures both in the office and on board our ships, to increase our cybersecurity posture.

- Additionally, the integrity and vulnerability of our financial and accounting related database is audited by EY once a year.
- In 2022, we have completed upgrading all the switches connecting to our servers with the latest secured versions.
- Although most ships are now connected to the internet, only permitted whitelisted websites can be accessed, minimizing the risk of malware and phishing. The OT systems in machinery spaces and the vital navigation equipment are segregated and not connected to the internet. That minimizes, if not eliminates, the risk due to Cyber-attacks onboard ships.
- AIS, ECDIS and Vessel Data Recorders (VDR) etc. are part of the Integrated Bridge System (IBS). Our system setup on-board ensures that such equipment is not directly connected to the internet at any time and hence, no data from such equipment is available or transmitted directly online.

Nevertheless, to reduce vulnerability to both cyber accidents and cyber-attacks, and to ensure safe and efficient operations of our fleet:

- at all levels of the Company, from senior management ashore to the crew on-board, are involved in the safety and security culture onboard each vessel;
- in company policies, by considering how to align cyber risks with the existing security and safety risk management requirements contained in the ISPS and ISM Codes; and
- in relevant onboard procedures, by including new related requirements in in-house training programs, day to day operations of the vessel and maintenance of critical cyber systems, if any, that may exist onboard.

Data Privacy Protection

The Company has already formalized its commitment to ensure personal data protection and privacy through its “**Personal Data Protection Policy**”. The purpose of this Policy is to provide the appropriate framework for handling Personal Data and to ensure that there are sufficient security measures in place to protect and secure Personal Data which the Company is collecting, using, and disclosing in accordance with the PDPA and any related regulations thereof. The Company has also commenced certain specific implementations to fully comply with the Law and to prevent any personal data breach or misuse. The Company has appointed a Data Protection Officer primarily to oversee and ensure that the Company’s collecting, processing, or disclosing of personal data of its individual stakeholders is following the Law and/or other applicable laws and regulations.

Employee

Human Rights and Labor Practices

The Company recognizes that employees are one more key success factor for the Company’s operations. The Company has committed to be a fair and caring employer offering its staff equitable opportunities to develop and grow. The Company has a policy to provide equal opportunities in employment, job security, and career advancement, as well as adhering to other good principles related to employees and employment. The Company supports good relationships between all employees including the Management. The Company also gives importance to anti-discrimination throughout its operations and promotes diversity in its workforce at both the management and staff levels. The Company ensures its employee management complies with national labor laws and related regulations. In addition, the Company ensures that the process of employee termination is fair and is proceeded in accordance with the company working regulations and the relevant laws.

Employees Benefits

The Company has the policy to provide all employees access to equal remuneration for work of equal or comparable value. The Company provides remuneration to office employees as salary, bonus, and other benefits like Provident Fund on a voluntary basis, and health insurance, although the same is not required by law; provides welfare for employees as required by law, i.e. Social Security. The Company appointed the Welfare Committee consisting of five employees from various departments to oversee employee well-being, consult with the Management on employees' welfare issues, provide advice and make recommendations to the Company regarding employee welfare. The Company ensures that it meets all labour protection law requirements in terms of leaves, holidays, working hours, severance pay etc.

The Company encourages its employees to save for their retirement, and therefore, commencing from 2017, the maximum allowable contribution to the Provident Fund from employees has been increased from 5% to 15%. The Company also arranges an annual internal training on investment planning, saving and financial management held by an asset management company to promote long-term savings and to assist the employees in their investment planning. Details of employees joining the employee provident fund are as follows:

Description	2020	2021	2022
Percentage of employees joining employee provident fund (%)	96%	94%	99%
Total amount of provident fund contributed by the Company (Baht)	5,391,221	5,329,633	5,580,208
Percentage of total amount of provident fund contributed by the Company to total employee remuneration (%)	5%	5%	5%

Remuneration is based on their performance, roles and duties and incentives/increments/bonuses are also based on financial status/performance of the individual and the Company. As a long-term incentive, the Company does not have an ESOP plan in place since the Senior Management feels that to a large extent, the share price of the Company depends on several factors beyond the employees' direct control like the state of the International Freight Markets and therefore, the Company's share price may not adequately reflect the better performance of the employees. The Company has implemented a profit-sharing scheme, which ensures that the employees are paid bonuses based on the performance of the Company against specified quantitative targets, which are laid down annually in advance. During the year, the Company announced a long-term bonus that will be paid out over three years to all executives and employees. These long-term bonuses can be used to reward employees for their long-term loyalty, dedication, and hard work. Furthermore, these long-term bonuses can be used to attract and retain top talent within the organization.

In line with its commitment to maintain high ethical standards and good corporate governance practices, the Company has in place a group-wide whistle-blowing policy and encourages all employees to report any possible improprieties on a confidential basis without fear of recrimination. The employees are free to express their opinions and concerns and provide feedback via email or mail. In 2022, there were zero cases of discrimination and zero human right violation.

The COVID-19 pandemic has caused a huge number of seafarers on merchant ships to be unable to disembark once their contracts have ended, facing excessive times at sea away from family and their homes. This has been due to tight restrictions on international travel and movement of personnel through ports, which make crew changes impossible in many places. At PSL, we have put our best efforts to ensure that our crew members are disembarked and sent to their respective homes safely even though this would mean that we divert our ships to either Thai and/or Indian ports to disembark/embark our Thai or Indian seafarers, despite no financial or economic benefits to the Company.

During the COVID-19 pandemic, the Company has initiated work-from-home arrangements for office employees to minimize their health risks. The Company continues to monitor the situation closely, particularly in Thailand, to ensure that appropriate measures can be taken in a timely manner. Additional measures such as social distancing, temperature screening, mandatory mask requirement, virtual meetings etc. have also been implemented. Strict protocols have been implemented on board our ships to minimize the number of visitors going

on board at all ports, screen all visitors such as port officials, surveyors etc. who need to go on board and ensure that all visitors follow norms such as wearing PPE, maintaining minimum distances from crew members etc.

Employment of Disabled People: Employment of Disabled People: The Company ensures that it complies with national labor laws and related regulations. The provisions outlined in section 33 and 35 of Persons with Disabilities Empowerment Act B.E. 2550, require companies to hire one disabled individual for every 100 non-disabled employees. Our current workforce does not meet the required ratio and therefore, the Company currently has no disabled employee on its staff. However, the Company is glad to support disabled people by donating to disability-focused organizations i.e. Department of Empowerment of Persons with Disabilities.

Employee Engagement Evaluation through Employee satisfaction survey

The Company recognises that employee satisfaction is core to the long-term success of the Company. An employee survey is conducted to gauge employee satisfaction, identify areas of strength and find opportunities for improvement. The Company conducts an annual employee satisfaction survey thereby providing employees with an opportunity to provide constructive feedback for the betterment of the organization.

In 2022, online employee satisfaction surveys were conducted for onshore personnel as well as crew members onboard vessels. The employee satisfaction survey results have been presented in the below table:

Description	Percentage of employee satisfied rate	
	Onshore staff members	Crew members onboard
Percentage of employee engagement	100%	56%
Goals for employee satisfaction levels	80%	80%
Employee satisfaction rate results		
Are you satisfied working for the Company?	78%	84%
Employees agreed to recommend the Company as a good place to work.	63%	61%
I feel like I am a part of the Company.	83%	74%

The Company has set a target of receiving more than 70% engagement from crew members by 2023.

Social Data of shore based employees [\[GRI 102-8, 202-2, 401-1, 401-3, 403-9, 403-10, 405-2\]](#)

Below table shows information about the employees of the Company including its subsidiary, i.e., Great Circle Shipping Agency Limited ("GCSA").

Number and proportion of the employees of the Company and its subsidiary (GCSA) at its shore based offices, by gender, age, nationality, and position.

Description	Unit	31-Dec-20	31-Dec-21	31-Dec-22
Employees				
Total number of employees	Person	129	129	133
Total number of male employees	Person	56	57	59
Percentage of male employees	%	43%	44%	44%
Total number of female employees	Person	73	72	74
Percentage of female employees	%	57%	56%	56%
Total number of employees over 60 years old (elderly)	Person	9	8	10
Percentage of number of elderly employees (more than 60 years)	%	7%	6%	8%
Total number of employees with disabilities	Person	0	0	0
Percentage of number of employees with disabilities	%	0%	0%	0%
Employees by Age Group				
Total number of employees under 30 years old	Person	10	12	9

Description	Unit	31-Dec-20	31-Dec-21	31-Dec-22
Percentage of employees under 30 years old	%	8%	9%	7%
Total number of employees 30-50 years old	Person	82	77	84
Percentage of employees 30-50 years old	%	63%	60%	63%
Total number of employees 51-60 years old	Person	37	40	40
Percentage of employees 51-60 years old	%	29%	31%	30%
Male Employees by Age group				
Total number of male employees under 30 years old	Person	3	5	4
Percentage of male employees under 30 years old	%	3%	4%	3%
Total number of male employees 30-50 years old	Person	30	29	31
Percentage of male employees 30-50 years old	%	23%	22%	23%
Total number of male employees 51-60 years old	Person	23	23	24
Percentage of male employees 51-60 years old	%	18%	18%	18%
Female Employees by Age group				
Total number of female employees under 30 years old	Person	7	7	5
Percentage of female employees under 30 years old	%	5%	5%	4%
Total number of female employees 30-50 years old	Person	52	48	53
Percentage of female employees 30-50 years old	%	40%	37%	40%
Total number of female employees 51-60 years old	Person	14	17	16
Percentage of female employees 51-60 years old	%	11%	13%	12%
Employees by Nationality group				
Total number of Thai employees	Person	106	107	113
Percentage of Thai employees	%	82%	83%	85%
Total number of Indian employees	Person	22	21	19
Percentage of Indian employees	%	17%	16%	14%
Total number of Singaporean employees	Person	1	1	1
Percentage of Singaporean employees	%	1%	1%	1%
Male Employees by Nationality group				
Total number of Thai male employees	Person	33	35	39
Percentage of Thai male employees	%	25%	27%	29%
Total number of Indian male employees	Person	22	21	19
Percentage of Indian male employees	%	17%	16%	14%
Total number of Singaporean male employees	Person	1	1	1
Percentage of Singaporean male employees	%	1%	1%	1%
Female Employees by Nationality group				
Total number of Thai female employees	Person	73	72	74
Percentage of Thai female employees	%	57%	56%	56%
Total number of Indian female employees	Person	0	0	0
Percentage of Indian female employees	%	0%	0%	0%
Total number of Singaporean female employees	Person	0	0	0
Percentage of Singaporean female employees	%	0%	0%	0%
Employees by Employee Category				
Total number of employees in operational level	Person	67	70	75
Percentage of employees in operational level	%	52%	54%	56%
Total number of employees in management level	Person	50	45	44
Percentage of employees in management level	%	39%	35%	33%
Total number of employees in executive level	Person	12	14	14

Description	Unit	31-Dec-20	31-Dec-21	31-Dec-22
Percentage of employees in executive level	%	9%	11%	11%
Male Employees by Employee Category				
Total number of male employees in operational level	Person	10	14	17
Percentage of male employees in operational level	%	8%	11%	13%
Total number of male employees in management level	Person	38	33	32
Percentage of male employees in management level	%	30%	26%	24%
Total number of male employees in executive level	Person	8	10	10
Percentage of male employees in executive level	%	6%	8%	8%
Female Employees by Employee Category				
Total number of female employees in operational level	Person	57	56	58
Percentage of female employees in operational level	%	44%	43%	43%
Total number of female employees in management level	Person	12	12	12
Percentage of female employees in management level	%	9%	9%	9%
Total number of female employees in executive level	Person	4	4	4
Percentage of female employees in executive level	%	3%	3%	3%
Employee Relation and Engagement				
Total number of employees voluntarily resigned in the year	Person	5	2	2
Percentage of total number of employees voluntarily resigned in the year compared to total number of employees	%	4%	2%	2%
Total number of male employees voluntarily resigned in the year	Person	1	0	2
Percentage of total male employees voluntarily resigned in the year compared to total number of employees	%	1%	0%	2%
Total number of female employees voluntarily resigned in the year	Person	4	2	0
Percentage of total female employees voluntarily resigned in the year compared to total number of employees	%	3%	2%	0%
Total number of newly hired employees in the year	Person	2	7	4
Percentage of total number of newly-hired employees in the year compared to total number of employees	%	2%	5%	3%
Total number of newly-hired male employees in the year	Person	0	4	1
Percentage of newly-hired male employees in the year compared to total number of employees	%	0%	3%	1%
Total number of newly-hired female employees in the year	Person	2	3	3
Percentage of newly-hired female employees in the year compared to total number of employees	%	2%	2%	2%
Total number of employees that were entitled to parental leave	Person	73	72	74
Total number of employees that took parental leave	Person	2	0	2
Total number of Employees who returned to work after parental leave ended	Person	2	0	2
Total number of employees who returned to work after parental leave ended who were still employed twelve months after their return to work	Person	2	0	2
Safety, Occupational Health, and Environment at Work				
Total number of hours worked by employees	Hours	236,160	236,160	245,385
Total number of lost-time injury accidents by employees	Case	0	0	0
Total number of employees that lost-time injuries exceeding 1 day	Person	0	0	0
Percentage of employees that lost-time injuries exceeding 1 day	%	0%	0%	0%
Loss Time Injury Frequency Rate (LTIFR)	Times	0	0	0
Total number of employees that fatalities as a result of work-related injury	Person	0	0	0
Percentage of employees that fatalities as a result of work-related injury	%	0%	0%	0%

Safety & Occupational Health [GRI 403-1, 403-2, 403-5, 403-6]: The Company recognizes that respect for human rights is the foundation of Human Resources' improvement, which adds value to the business. Moreover, Human Resource is a key success factor for business and adds value to the Company in all aspects. It is the Company's policy to conduct its activities in a manner that promotes the health and safety of its employees so that the actions of the Company, and its employees, promote the health and safety of others too. The Company accords the same weightage to Health and Safety factors as it does to Commercial and Operational factors. To this end, the health and safety responsibilities of all personnel have been defined and allocated. The Company's Safety Management System (SMS) is intended to affirm that the Company achieves its purpose in this area and is based on the philosophy that accidents can be prevented by the identification and management of risk. The Quality & Safety Policy Manual contains the Company policies in compliance with the standards of ISO 9001 and requirements of IMO's ISM Code. The Quality Procedures contain a summary of the procedures that the Company operates and maintains.

General practices for safety on the vessel are as follows:

- Regularly develop and implement a Safety Management System (SMS) that covers all aspects of shipboard safety and provides guidelines and procedures for crew members to follow in case of an emergency.
- Inspect and maintain all shipboard equipment, including fire-fighting equipment, lifesaving appliances, and navigation systems.
- Identify potential hazards and assess the associated risks to minimize the likelihood of an accident or incident.
- Established a reporting system for incidents, accidents, and near-misses to help identify areas for improvement and prevent future incidents.
- Provide regular training and drills to your crew to ensure they are familiar with emergency procedures and know how to respond in case of an accident or incident.

Our crew members receive training in using emergency breathing devices, such as the Emergency Escape Breathing Device (EEBD) and the Self-Contained Breathing Apparatus (SCBA), to protect against inadequate oxygen, dust, gases, and vapors on ships including fire drills which are held onboard vessels twice a month. In 2022, there were 850 crew members participated in these training sessions, totaling 19,872 hours.



The Company also has a Drug and Alcohol Abuse Policy. It is based on the recommendations contained in OCIMF's "Guidelines for the Control of Drugs and Alcohol On board Ship". They are detailed in the Safety Management System available on all vessels and displayed for all crew members.

Ensuring that each crew member gets enough rest is a necessity. To avoid fatigue and stress related accidents on board, minimum rest periods have been recommended by STCW 95 convention and ILO Convention 180. Both these conventions have undergone considerable amendments. As a result, the requirements have become more stringent. STCW 2010 Manila amendments are effective from January 2012 whereas ILO 2006, which is known as MLC (Maritime Labor Convention) 2006, was ratified in August 2012 and became effective in August 2013. Both Thailand and Singapore, the flag states of the vessels in our fleet, have ratified the Maritime Labour Convention. All the Company's vessels are fully compliant with the MLC requirements.

The Company's medical fitness requirements are higher than the standards set by International Labour Organization (ILO) and other regulatory bodies. As a result, the Company finds very few cases of fitness or sickness related problems amongst its seafarers.

Piracy: As outlined in the **Board of Directors' Report**, the Company's ships are exposed to the threat of piracy when sailing through high-risk areas, and the officers/crew sailing onboard are under tremendous pressure when sailing through such areas where armed pirates are known to attack. This is especially true of the Indian Ocean / Arabian Sea area, extending from the mouth of the Persian Gulf in the north to Madagascar in the south. The Company takes this threat very seriously and ensures all ships are routed outside these areas and closer to the Indian coast. Where this is not possible for any reason, the Company engages security guards to sail with the vessel for the passage through these high-risk areas. In any case, all ships transiting through the high-risk areas are 'hardened', amongst other things, by rigging barbed razor wire around the ship thereby making it harder for the pirates to climb onboard the Company's ships. The Company is committed to doing everything possible to ensure safety of the ship and officers/crew.

Automated Mutual assistance Vessel Rescue System (AMVER): Sponsored by the United States Coast Guard (USCG), AMVER is a unique, computer-based, and voluntary global ship reporting system used worldwide by search and rescue authorities to arrange for assistance to persons in distress at sea. The Company continues to be involved in the AMVER program and its good performance is recognized by the USCG in the form of AMVER awards given to the Company every year through their representative at the United States Embassy in Bangkok. A quote from the USCG citation letter would perhaps reflect what this award is all about: "you can take pride in the voluntary commitment of your officers and crew to the safety of life at sea".

Teamwork: Unlike several ship owning Company's, which outsource the technical management of its ships, the Company's Ship-Management Company, viz. Great Circle Shipping Agency Limited (GCSHIP) is a wholly owned subsidiary of the Company. The staff of the Ship-Management Company work as one team under the same roof. Regular weekly meetings are also conducted between the ship-management and commercial teams to sort out all operational issues and discuss the status of future plans. Good co-ordination is achieved in all areas of ship operation by this arrangement. Besides ISM code certification, GCSHIP is also certified for Quality Management System "ISO 9001: 2015" and has obtained certification for their Environment Management System "ISO 14001:2015".

Knowledge and Development

Directors and Management Training

The Board of Directors continues to try and enhance their value by participation in activities, courses and events which add to their knowledge base in the continually changing business environment to ensure that they are updated and possess full knowledge. All the Company's Directors have attended important training courses that are available such as the Director Certification Program (DCP) or the Director Accreditation Program (DAP) held by the Thai Institute of Directors Association (IOD).

Directors' Orientation

The Company Secretary provides any newly appointed director with the background of the Company's business, profile, and industry along with all the relevant documents for new Directors, such as Director's handbook, the Company's corporate documents, CG Policy Manual, Business Ethics and Code of Conduct Manual, Anti-Corruption Policy, laws, regulations, and practices which are related to the trading of Company's shares.

Employee Development

The Company ensures that employees are adequately knowledgeable and skilled to perform their jobs for the Company's business. The Company has a policy of promoting employee development by supporting them in developing their skills, abilities, and knowledge, keeping them updated following industry trends, as well as understanding the relevant code of conduct and practice. The Company provides in-house and external training for officers of the Company both at Head Office as well as on the vessels. Moreover, the Company allows special leave and flexible working hours for employees who are undergoing longer term professional or degree courses.

The Company has an 18-month young leadership program which provides recent graduates an opportunity to acquire on-the-job training in the commercial, technical and finance departments before embarking on a long-term career with the Company. This serves to ensure that the experience and skills of the current generation of managers are transferred to the next generation.

Training & Development for office staff [GRI 404-2, 404-3]: The employees are encouraged to express their training needs and/or interests, so that the Company can provide suitable training to them as one of the tools for their career development. The costs of such training are borne by the Company.

In 2022, the training and development are classified into two types as follows

Training Type	Objectives and Benefits	Target Groups	Participants	Training Hours
Functional Training	Expand work knowledge to help employees reach their goals, inspire self-confidence, and progress to work	All employees in each function i.e. accounts, finance, technical, legal & compliance, commercial, insurance, etc.	45	1,336
General Training	General knowledge that can improve working and daily life included gender equity, Information Security Awareness Training, etc.	All employees	133	623
Total man-hours for training in 2022: 1,959 man-hrs				
Total participants average hours training per year per person = 11 hrs				

Training & Development for seafarers [GRI 404-2, 404-3]: Over the years, the Company has not only acquired expertise in the field of ship management, but in the process, has developed a pool of highly qualified and competent staff, both, on-board and ashore. It is through this dedicated and loyal work force of floating staff, technical superintendents, and internal auditors that the Company has been able to achieve high standards of Safety and Quality in all aspects of ship operations. It is the Company's policy to encourage and support competent and efficient seafarers and give them the opportunity to grow within the Organization.

All ship officers are required to visit the head office for briefing before being assigned to vessels. Here, they are briefed and updated about new developments and practices in the industry. Regular updates are also sent to the vessels. Officers are often sent to attend value addition courses to enhance their skills. The costs for these courses are borne by the Company.

The Company has introduced a mechanism whereby the officers and crew serving onboard our ships can send in their suggestions to the office. This will encourage the ship-staff to make effective contribution to the shipboard operations and help further improve the Company's performance.

The Company has provided, on board the vessels, selected video training programs from the best available in the market.

To motivate the junior officers and to keep up with the process of learning while on board, senior officers are asked to actively interact with them. To measure their levels of competency, computer-based competency test facility is provided on board. Based on the results of these tests, officers can determine their weaknesses and work to improve upon on weak areas.

Maritime Training Center & Bridge Navigation Simulator: The Company has set up a full-fledged Maritime Training Center at its Head Office in Bangkok which includes a state-of-the-art Bridge Navigation Simulator. The PSL Training Center, which commenced operations in March 2008, has given a solid foundation to the Company's training activities and has enabled its Officers and Crew to keep abreast of the latest developments in ship operations. The Bridge Navigation Simulator recreates the actual bridge on a ship as it enters a major port and provides ideal conditions in which to train officers and crew in ship-handling and navigation. In the last quarter of 2019, work was commenced to completely upgrade and revamp the Bridge Navigation Simulator including a total renewal of all projectors, panels, consoles, hardware, and the software updated as per the requirements for our fleet. The upgraded Bridge Navigation Simulator was available in the first quarter of 2020 for resumption of training courses.

The Training Center has developed and continuously improves all training courses, including English courses for marine engineers, navigating officers and crew at all levels. New courses are also being introduced to equip the navigation and engineer officers with the necessary knowledge to deal with new regulations like the global Sulphur cap from January 2020 and new data collection and reporting requirements. To equip the officers with knowledge of new developments, the Company has taken the step of organizing specialized courses conducted by experienced and proficient guest teachers. For instance, a specialized 'Hydraulics Machinery' course, customized for our fleet was conducted at the Training Centre in January 2020.

The PSL Maritime Training Center is a significant step taken by the Company to train and equip its Officers and Crew to take better care of themselves and their ships, all with a view to ensure Safety of the Crew and preventing accidents, thus preserving the environment.

During the year 2022 with the Covid-19 pandemic showing little signs of relenting, we continued to train our officers online. A total of 1,021 sea going officers and crew members attended a total of 18 courses that were conducted during the year, which is a testament to the Company's commitment towards training our crew members and the high premium that we place on the same. A total of 18 courses were conducted online, while 4 courses which required the use of the Bridge Simulator and ECDIS equipment, were conducted at the company's Maritime Training Centre. New courses that were introduced in 2022 were Marine Engine ME-B Control System Standard Operation and an additional course on vessel inspections.

Details of 21-courses training for sea-going officers and crew members are as follows

Training Courses	Course Objectives & Benefits	Target Group of Participants
1) Maritime Resource Management Course (MRM)	The course, supported by the Swedish Club under a license agreement, is aimed at training masters, officers & senior engineers as well as key shore-based personnel. The course aims to create good teamwork & resource management attitudes and skills that are required to avoid management error-caused accidents.	All deck Officers and Engineers

Training Courses	Course Objectives & Benefits	Target Group of Participants
2) Bridge Team Competency Simulator Course I (BTC - I)	This training course aims to improve various competency skills & knowledge of navigating officers for safe conduct of voyages.	Junior Deck Officers (2/O, 3/O, J/O)
3) Bridge Team Competency Simulator Course II (BTC - II)	Hands-on practices to gain competence, knowledge & experiences on Ship Handling, Maneuvering, Turning and Anchoring in various conditions and under various effects of controllable forces.	Senior Deck Officers (Master & C/O)
4) Bridge Team and Resource Management Course (BTM) and Vessel Traffic Service (VTS)	This training course aims to train the ship's masters and officers in effective bridge teamwork and resource management in various situations as well as bridge operations in emergencies. The course also develops our officers' communication skills in communicating with a vessel traffic service (VTS) using various SMCP's through the VHF and GMDSS communication equipment in our Bridge Simulator.	All Deck Officers
5) Maritime Professional Briefing Course (MPB)	This training course aims to keep senior officers and engineers updated on new regulations and information. Senior staff from several departments co-conduct this course which covers 1. Marine Insurance & Loss Prevention 2. Ship Commercial & Cargo Operations 3. Port State Control-Ship Inspection & Pollution Prevention	Senior Deck Officers and Senior Engineer Officers (Master, C/O, C/E, 2/E)
6) ISPS and ISM Implementation & Documentation, Paint Maintenance	This training course aims to keep senior officers and engineers updated on regulations and incidents in respect of secure working environment and security measures to prevent unlawful acts against ships that jeopardize the safety and security of people and property on board company ships.	Senior Deck Officers and Senior Engineer Officers (Master, C/O, C/E, 2/E)
7) EMS Awareness & Shipboard Safety.	This training course is designed to keep senior officers and engineers updated on policy and incidents relating to environmental and safety onboard, with an emphasis on environmental awareness as well as an improvement in all duties' safety working.	Senior Deck Officers and Senior Engineer Officers (Master, C/O, C/E, 2/E)
8) Officer Of the Watch (OOW) and Shipboard Safety Course	To enhance the standards of watchkeeping at sea as well as in port. It is designed to help junior watchkeeping officers to understand his duties on board, and realize their significance. It also enables them to make a positive contribution to success of the entire commercial venture.	Junior Deck Officers (2/O, 3/O, J/O)
9) Chief Mate Course (CMC)	To strengthen the professionalism and competence of chief officers and prepare experienced second officers for the chief mate rank.	Chief Officer and Second Officer
10) Command Course (Command)	The purpose of this course is to further train Masters in all necessary skills and topics and prepare chief officers for the command. It includes modules for Leadership, Business & Law, International Sale of Goods and related rules/codes/conventions, Time Charter & Voyage Charter, Cargo matters and Ship's Certificates, Documentation, Ship Handling/ Anchoring techniques, etc.	Senior Deck Officers (Master and Chief Officer)
11) Electronic Chart Display and Information Systems (ECDIS)	To ensure that users of ECDIS are properly trained in the operation and use of electronic charts and are familiar with the shipboard equipment. This course aims to enhance navigational safety with the safe operation of ECDIS equipment, proper use of ECDIS related information and knowledge of the limitations of ECDIS equipment (new IMO requirement).	All Deck Officers (Master, Chief Officer, Second Officer, Third Officer, Junior Officer, Deck Cadet)

Training Courses	Course Objectives & Benefits	Target Group of Participants
12) E/R Management & Competency Enhancement course and Engineer Of the Watch Course (EMC & EOW)	This course aims to train senior engineers (C/E & 2/E) in various management & competency knowledge and skills that are required for safe and efficient running of the ship. The junior engineers taking this course are trained in watch-keeping duties, engine parameters monitoring, operation & maintenance, safety & pollution prevention, record keeping.	Junior Engineer (3/E, 4/E, J/E)
13) Wartsila RT-Flex Engine Familiarization	To familiarise the engineers with the company's new type of engine "Wartsila RT-Flex Electronic Engine" before they join a ship equipped with this type of engine. This course focuses mainly on the practice part.	All Engineer Officers
14) Engine RT-Flex Operation & Practical Advanced	This course aims to train all engineers for the operation & practical of the RT-Flex Engine at the higher level to familiarize the engineers with the utmost operational function of the Engine RT-Flex.	All Engineer Officers
15) (MC/ME)	To familiarise the engineers with the company's new "MAN Diesel Engine" (ME) before they join a ship equipped with this type of engine. This course focuses mainly on the practice part.	All Engineer Officers
16) ME Engine Advanced Troubleshooting course	The purpose of this course is to familiarize the engineers with all possible problems which may arise from the operation of ME Engine with the most effectiveness troubleshooting.	All Engineer Officers
17) Basic English Course (Basic)	This course is designed to help the students to be able to understand and use the English language correctly and provide them with all the basic language skills such as the pronunciation of the Standard English sound system, practical and useful listening, speaking, reading and writing practices with suitable grammar and vocabulary in various functional contexts.	All Deck Officers and Engineer Officers
18) Elementary Maritime English Course (EMT)	This course is designed to improve and raise the students' competence in English to intermediate level and give the students' wide-ranging opportunities to practice communicating in English for both maritime and general purposes at elementary level.	All Deck Officers and Engineer Officers
19) Intermediate English Course level-I	This course aims to improve the students' pronunciation and develop the four English skills- speaking, listening, reading and writing. After the course, the students will be able to speak English with better pronunciation, accent and intonation, communicate more effectively in daily situations, using appropriate vocabulary, expressions and idioms, and make sentences with fewer grammatical mistakes.	All Deck Officers and Engineer Officers
20) Intermediate English Course level-II	This advanced course aims to further develop the students' English skills with an emphasis on advanced grammar structures, business-related vocabulary and letter & email writing (main focus). The students will learn typical words and phrases used in English correspondence and learn how to write letters and emails with proper word choices, styles, and level of formality for different occasions.	All Deck Officers and Engineer Officers

Training Courses	Course Objectives & Benefits	Target Group of Participants
21) Cyber Security Awareness	The purpose of this course is to focus on cybersecurity onboard vessels for seafarers to recognize threats and vulnerabilities in computer systems, and recognize the need to protect data, and systems.	All Deck Officers and Engineer Officers including all Ratings
Total participants (online): 1,021 sea-going officers and crew members Total man-hours for training in 2022: 22,455 man-hrs Total participants average hours training per year per person = 21.99 hrs		

Trading Partners and/or Suppliers

The Company has a policy of equitable and fair treatment of its trading partners and/or suppliers. Accordingly, the Company treats its trading partners and/or suppliers fairly, taking into consideration its own interest and on the basis of mutual benefit, and intends to avoid circumstances that may lead to a conflict of interest. The Company ensures that best practices are set for procurement from suppliers, and that the Company complies with all trade terms and conditions. In case the Company cannot comply with any conditions of a Contract, the Company shall inform the trading partners and/or suppliers immediately to consider the ways to resolve the matter.

The following Company Guidelines for selection of suppliers shall be followed:

- Suppliers shall be selected based on their ability to service the needs of the Company in the most economical and efficient manner and in consideration of their expertise and financial status. They should be in compliance with all applicable laws and related regulations.
- Considering the Supplier ESG assessment results when selecting suppliers.
- When selecting suppliers, past performance and cooperation with the Company should be considered.
- The Purchasing Department must conduct additional research and solicitation to increase its supplier base, when the supplier base is not sufficient to meet the Company's needs.

Supply Chain Management [GRI 308-1, 414-1]

In order to promote sustainability and responsible practices in the supply chain, the Company established the Supplier Code of Conduct as a guideline for suppliers to focus on the importance of conducting business with partners transparently, honestly, and fairly, along with sustainable business practices. The Supplier Code of Conduct sets out minimum standards and practices for our suppliers relating to business ethics, labor practices, health & safety and environmental protection.

During the period, the Company conducted the Supplier ESG assessment to declare that they strictly adhere to all applicable laws, including anti-corruption; labor practice; and environmental protection laws and regulations relevant to their operations and industry.

Critical Supplier refers to suppliers who are vital to business operations, such as major spares/engine suppliers, suppliers with high sales value, and irreplaceable suppliers.

Description	2022
Number of active suppliers	700
Critical suppliers	22
Percentage of critical suppliers	3%
Procurement spending contribution from critical suppliers	49%
Number of critical suppliers conducted ESG assessment	50%

Taking care of the Company's suppliers is an important aspect of supply chain management (SCM) as it helps to maintain strong relationships and ensure a consistent flow of goods. The following guidelines to take care of our suppliers:

- **Clear Communication:** Maintain clear and open communication with suppliers to understand their needs and expectations, and to provide updates on changes in demand, schedules, and other relevant information.
- **Fair Treatment:** Treat suppliers fairly and with respect, and avoid unilateral changes to agreed terms and conditions.
- **Prompt Payments:** Make timely payments to suppliers to maintain good relations and avoid financial stress for the supplier.
- **Provide Feedback:** Provide constructive feedback to suppliers on their performance, and work with them to identify and implement improvements.
- **Collaborate:** Collaborate with suppliers on joint projects and initiatives to drive mutual benefits, and encourage innovation and continuous improvement.

Social and Community Development

The Company recognizes that a solid community and society are significant factors which support the Company's business. Therefore, the Company supports and gets involved in many community and society-based activities on a regular basis. The Company fully recognizes its responsibility to the community and is attentive to the consequences of the Company's conduct that affect the people around more than what the laws require, including making efforts to gradually absorb social accountability. The creation and expansion of the Company's CSR Fund will provide a permanent and formal framework to enhance the Company's CSR activities.

Scholarships to Students of Merchant Marine Training Centre ("MMTC"), Thailand



Strategy: To enhance job opportunities and career advancement for those in the maritime industry. The Company supports the education of merchant marine students to meet the growing demand for trained mariners in the shipping industry, ensuring safe and efficient global trade.

Not only does it preserve and promote maritime culture, history, and tradition, but it also helps to develop the local and national economies by providing trained labor for the shipping industry and related services. Furthermore, this contributes to the safety and security of shipping by providing properly trained and educated mariners capable of operating ships in a responsible and sustainable manner.

The Company takes an active interest in the Merchant Marine Training Center, Thailand (MMTC) and has awarded Gold medals for graduates finishing at the top of the class since 1998. Besides, the Company also donates textbooks to MMTC on a regular basis.

The Company has instituted a scholarship scheme for students of MMTC. In the years 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2011, and 2010, an aggregate of Baht 438,000, Baht 1,671,000, Baht 1,005,000, Baht 1,119,000, Baht 1,194,080, Baht 1,633,900, Baht 1,264,960, Baht 1,100,000, Baht 1,345,400, Baht 2,131,900, Baht 2,339,800, and Baht 2,355,120, respectively, has been disbursed to outstanding students in need of funding. The Company employs most of the cadets passing out from the MMTC, Thailand and thus contributes to the development of qualified Thai officers. This pool of officers is available to any/all Thai ship-owners and not just restricted to our Company.

Performance results: In 2022, a total of 42 scholarships amounting to Baht 1,989,000 were granted to students at MMTC. To date, the Company has provided scholarships for 178 MMTC students, with 79% of them choosing to work for the Company after completing their studies.

The photograph below shows MMTC scholarship students along with Mr. Sebastian Arcanjo Cardozo, PSL's Vice President in Fleet Management.



Donation to Mechai Pattana School



The development and enhancement of people’s early lives heavily depend on education. According to Thailand Social Development Forum of 2021, one of the top three things that people want to see from the Thai educational system is the development of young people’s life skills and sense of civic responsibility. Children in Thailand are overly academically oriented, lacking the balance of other skills to develop 21st century competencies that are more practical in everyday life. Children will be able to “truly learn” by connecting in and out of the classroom through exposure to an educational environment that fosters critical thinking and problem-solving abilities, as well as by adding a culture of trial and error.

The Company recognizes the paramount importance and value of education, and has therefore established an educational funding program. Through this program, the Company allocates a portion of its Corporate Social Responsibility (CSR) budget to support educational institutions that align with specified criteria. In 2022, the Company made a donation of Baht 1,000,000 to Mechai Pattana School as part of its efforts to enhance education for children in communities. The donation aimed to support the school’s dedication to innovation, excellence, sustainability, and gender equality which are some of the Company’s values.

The Mechai Pattana School, a secondary school located in Buriram province, was selected for its emphasis on community development, civic responsibility, and life skills training. The school, also known as the “Bamboo School,” is attended by 180 students from the Northeast of Thailand and other countries in the lower Mekong region. It boasts the largest bamboo geodesic dome in the world and serves as a hub for social and economic progress in the surrounding villages, as well as an improvement in the quality of life for students, their families, and the entire community, including the elderly and out-of-school youth. The school has a community development arm that supports small rural schools and their surrounding communities. The school is also in a partnership with the UN Thailand for localization of Sustainable Development Goals (SDGs) with communities in Thailand. The work the school has been doing for more than a decade makes it abundantly clear that education in the form of lifelong learning—which emphasizes teaching to reflect life skills and occupation skills—is the most effective way to change perspectives and achieve success for both individuals and communities as a whole.

As part of its sustainability objectives, the Company is committed to sustaining its support for and enhancement of educational systems, maintaining a positive impact, and actively contributing to communities.

The Company’s representatives visited Mechai Pattana School in Buriram Province in March 2022 and donated THB 1 million to the School.



Beach Clean-Up Activity “Team Up to Clean Up”



Ocean trash poses a serious threat to the marine ecosystem and those whose livelihoods depend on it. Thousands of marine organisms have been affected by marine pollution. Many of our fellow humans treat the ocean as if it were a landfill, dumping garbage that is obviously indigestible to the seas, which nature angrily spits back onto land. The impacts of marine debris on marine and land animals, including humans, are numerous.

Beach clean-ups are associated with pro-environmental intentions and higher marine awareness. Of course, the task of cleaning up the beach cannot be done in a single day, nor in a single year. Long-term commitment and a mindset that sees the problem we face today as a shared responsibility for all in communities, rather than just individual responsibilities, are required. While cleaning beaches is the main objective, beach clean-ups also create environmental awareness along with encouraging waste reduction, recycling, and reuse, which also creates public awareness on waste management and environmental concern.

Thailand is considered the top tourist destination, having a lot of gorgeous beaches that attract millions of tourists from around the world each year. However, polluted beaches can inhibit the economic growth of the surrounding area. Beaches lose their economic value when they are polluted. Beach Cleaning events can boost

the local economy, from restaurants to accommodations and water sports, and attract new visitors. Tourists and visitors are more likely to spend money at businesses near beaches when they are litter free.

The World Maritime Day celebration for the year 2022 is linked to the United Nations Sustainable Development Goals (SDGs) 13 and 14 on climate action and sustainable use of the ocean, seas, and marine resources. To mark this day and to affirm our commitment to preserving the marine ecosystem, 42 employees of Precious Shipping volunteered to “TEAM UP TO CLEAN UP” at Ban Amphur Beach. We were able to clean up almost 90 kilograms of marine debris. We are proud to continue playing our part, even if it’s in a small way, in protecting the oceans, which are precious and vulnerable.

The Company’s volunteers visited Ban Amphur Beach in Chonburi Province in September 2022 for the “Team Up to Clean Up” activity.



Some of the Social and Community activities undertaken by the Company are as follows:

- The Company donated 20 working computers to Wat Thong Thua (Ekarapanich) School, a primary school in Chanthaburi province in the year 2021. This is in continuation of the Company's tradition to assist in the education of needy children, particularly in the case of distance learning during ongoing the Covid-19 pandemic.
- Food Distribution: Bangkok is experienced a surge of Covid-19 infections in the year 2020, dealing a huge blow to some of the most vulnerable communities in the city. In order to lend a helping hand to those most in need, the Company donated 60,000 meals prepared by the Avani Atrium Hotel, to communities in the Huaykhwang and Khlongtoey districts from August to October 2020.
- The Company contributed to a fund to assist in securing freedom of Thai fishermen (not Company employees) held hostage for over 4 years in Somalia for their eventual return to Thailand.
- The Company organizes blood donation camps on a regular basis in collaboration with the Thai Red Cross. These blood donation camps have been organized since the past several years. In 2019, 2 donation camps were organized in March and September with a total collection of 40,500 cc.
- In 2019 the Company donated Baht 246,000 to the 21st Hom Bah Hai Nong project by cadets of MMTC to create a multi-purpose yard, renovate all restrooms, first aid room, a kitchen, a canteen, landscape improvements, repaint the playground, fence and sports area, main entrance and bus stop roof for the students and community at Bann Thung Pong School, Nong Prue District in Kanchanaburi Province. This is further to the donation made by the Company in the previous years of: 1) In 2018 the Company donated Baht 211,790 to the 20th Hom Bah Hai Nong project by cadets of MMTC to create a multi-purpose field, renovate restrooms, kitchen, canteen, a playground, and surrounding areas, repaint the kindergarten building at Soi 19 Sai 2 Khwa School in Lopburi Province. 2) In 2017 the Company donated Baht 232,000 to the 19th Hom Bah Hai Nong project by cadets of MMTC to renovate activities room, school infirmary, a playground, and surrounding areas at Ban Thammarat School in Chachoengsao Province. 3) In 2016 the Company donated Baht 346,600 to the 18th Hom Bah Hai Nong project by cadets of MMTC to renovate the canteen, school infirmary, a playground, and surrounding areas, improve the road, provide books to the library for development of children and first aid kits for the school infirmary at Ban Sab Din Dam School in Saraburi Province. 4) In 2015 the Company donated Baht 223,000 to the 17th Hom Bah Hai Nong project by cadets of MMTC to improve roads, renovate a playground and surrounding areas, provide books to the library for development of young children and first aid kits for the school infirmary at Ban Klong Rakam School in Prachinburi Province. 5) In 2013, the Company donated Baht 137,000 to the 15th Hom Bah Hai Nong project by cadets of MMTC to build toilet facilities, repair the building, renovate school infirmary and surrounding areas at Ban Nong Kaie School in Sakaew Province. 6) In 2011, the Company donated Baht 113,160 to the 14th Hom Bha Hai Nong project by cadets of MMTC to build a canteen for Wat Ta Phang Klee school, Chachoengsao province. 7) In 2010, Baht 139,000 to the 13th Hom Bha Hai Nong project by cadets of MMTC to build toilet facilities at Bann Non Pha Suk School, Sa Kaew province. 8) In 2009, Baht 80,466 to the 12th Hom Bha Hai Nong project by cadets of MMTC to buy a projector and build an activities stage for Wat Bang Kra Jao School in Samut Sakorn province; and 9) In 2008, Baht 100,000 to the 11th Hom Bha Hai Nong project by cadets of MMTC to repair classrooms and renovate the library for Ban Bhai See Thong School in Suphanburi province.
- As reported in the past, the Company had signed a MOU with the Vocational Education Commission to implement knowledge and promote teaching and learning for Nakhon Si Thammarat Industrial and Shipbuilding College (NASIC). Pursuant to this MOU, the Company built and handed over a 96-bed student dormitory at NASIC, at a total cost of about Baht 25.40 million. The Company continues to provide financial assistance to the students by purchasing books & other materials for their library. For their part, NASIC has introduced new courses and curriculum under consultation with the Company to develop/train Engineering Officer graduates for a career in shipping, thus developing a new career option for Thai youth. The Ministry of Education, Vocational Education Department, awarded an Honor Shield to the Company in recognition of its participation with NASIC.

- The Company awarded Baht 165,000 Scholarship to a student of The International Maritime College, Kasetsart University, Si Racha Campus to support his entire Maritime Science degree course in the University. The final installment under this scholarship award was paid in April 2010.
- On 8 June 2015, the Company donated Baht 500,000 to Thai Medical Device Development Foundation (TMDD) to promote and support the research and development of medical devices.
- In January 2013, The Company donated Baht 5,000 to Department of Labour Protection and Welfare for gifts to children on Children's Day at Suapa Field, Dusit Palace.
- During the year 2010, the Company donated 46 computers to Mathayom Warichpoom School, Sukhothai School, Bann Koh School, Sathya Sai School and to Pak-Kret Community Administration Office.
- In January 2009, the Company donated Baht 40,000 for Muslim youth center Bann Pak Lad at Prapadaeng, Samutprakarn to support educational equipment and scholarships for Children.
- The Company makes regular donations to the needy and poor and for various causes. For instance, the Company, in collaboration with employees, donated over Baht 1 million to the Thai Red Cross for those affected by the Tsunami in Thailand, and in early 2004, donated computers to four primary/secondary schools in Rayong province for use by 877 students studying in these schools.
- In 2001, the Company helped build a school for children affected by the earthquake which hit western India in 2001. The "Indo-Thai Friendship School" is now fully operational and can accommodate 700 students in Elementary, Middle and High School levels. This has been greatly appreciated by all concerned and projects a very favorable impression of Thailand.
- The Company readily responded to the needs of the people living in South Thailand affected by the deadly Tsunami of December 2004. The Company and its employees contributed Baht 590,000 to the villagers of Talay Nok in Ranong province, to renew/repair their fishing boats and resume their livelihood. The Company also adopted the Talay Nok village and Company representatives paid regular visits there to ascertain the needs of the villagers.
- The Company along with the staff and crew donated Baht 1,325,867 in year 2008 to construct a new building for housing the Physics, Chemistry and Computer laboratories at a school in Semmangudi, Tamil Nadu, India. This school is in a very poor village and was seriously affected by the Tsunami of December 2004.
- Every year, the Company organizes a 5-KM run "PSL Annual Maritime Day Run" at the Lumpini Park to encourage all its employees to inculcate a habit of doing regular exercise to maintain good health.
- The Company is one of the sponsors of the annual sports day function at the MMTC. The co-operation with MMTC thus extends to Sports, besides academics (as outlined above), and helps in all-round development of Officer Cadets.
- The Company is setting up aid schemes by way of annual scholarships or otherwise, to our own staff members who are not able to afford school admission and/or tuition fees for their children.
- The Company donated money and equipment to make a scientific laboratory that supported study activities at Ban Koh School in Surin province in September 2006. The Company donated Baht 100,000 and books to cadets of Merchant Marine Training Centre to repair classrooms and build up the library for Bannwangsanuan School in Nakornratchasrima province in September 2007.
- The Company contributed Baht 100,000 to The Council for Social Welfare of Thailand under The Patronage of His Majesty the King to develop knowledge and foster career skills of disabled people, supporting them to seek their own income, on the 43rd Cripple Day in November 2007.
- The Company donated Baht 68,000 to Ban Koh School in Surin province in year 2008 to support the "Student Field Trip" to Skaerat Environmental Research Station in Nakhon Ratchasrima province.



MANAGEMENT DISCUSSION AND ANALYSIS

1. OPERATIONS AND FINANCIAL ANALYSIS

1.1 GLOSSARY OF TERMS:

The Financial Analysis part of this Management Discussion and Analysis (MD&A) is based on the Company's consolidated financial statements prepared in accordance with Thai Financial Reporting Standards ("TFRS") and the US Dollar (Functional Currency) Financial Statements (presented in note 35 to the financial statements "Functional Currency Financial Statements"). A variety of financial and operational terms has been used in the MD&A and some of these terms are explained below:

Average Daily Vessel Operating Expenses in USD (Opex) - Average Vessel Operating Expenses per day per vessel are computed over a 365 days operating cycle. These exclude depreciation but include amounts amortised per accounting policy (note 4.5 of audited financial statements) for Dry-docking and Special Survey (DD/SS) expenses and the amortisation is included as "depreciation" in the financial statements. Vessel operating expenses generally represent fixed costs which include crewing, repairs and maintenance, insurance, stores, lube oils, management cost and amortised portion of Dry-docking and Special survey expenses.

Vessel Running Expenses - Vessel running expenses in the Financial Statements refer to vessel operating expenses excluding amortised Dry-docking and Special Survey expenses.

Voyage Expenses - Voyage expenses mean all expenses related to a particular voyage including bunker fuels and voyage disbursements at the ports of call. Voyage disbursements include port fees, cargo loading and unloading expenses, canal tolls, agency fees and other expenses at the ports of call. Voyage costs are typically paid by the client (charterer) under Time Charter and by the Company under Voyage Charter. However, when the Company pays the voyage expenses, the Company typically adds them while calculating freight rate so that the desired Time Charter rate is achieved had the Company negotiated the Voyage as a Time charter.

Total Vessel Operating Costs - Total Vessel Operating Costs in the Financial Statements means the aggregate of vessel running expenses and voyage expenses.

Average Daily Vessel Earnings in USD (TC Rate) - Average time-charter equivalent earnings per day per vessel computed over a 350 days cycle. The TC rate is calculated by dividing net Vessel Operating Income by 350 days per vessel.

Vessel Operating Income - Vessel Operating Income in the Financial Statements means total of Time charter income and Voyage charter income received. In other words, this is total income earned through Time and Voyage Charters.

Net Vessel Operating Income - Net Vessel Operating Income means Vessel Operating Income less Voyage expenses, and is also known as Net Time Charter Equivalent Revenue.

Dry-docking and Special survey - The Company must periodically dry-dock each of its vessels for inspection, repairs and maintenance and any modifications to comply with industry certification and or various regulations applicable to the Company's vessels. Generally, each vessel is dry-docked every 2.5 years and 5 years to carry out intermediate and special survey, respectively. The Company capitalizes these costs and depreciates them over a period of 2 years for dry-docking cost related to an Intermediate survey and 4 years for dry-docking cost related to a special survey. The depreciation amount of dry-docking and special survey costs is included in Depreciation and do not form part of vessel operating costs in the Financial Statements. However, while calculating average Vessel Operating expenses per day per vessel (Opex), the Company includes amortised portion of dry-dock and special survey cost for ascertaining complete Opex.

Depreciation - The main component of depreciation cost is depreciation on Vessels. It also includes amortisation of Dry-docking and Special survey cost as explained above, in the Financial Statements.

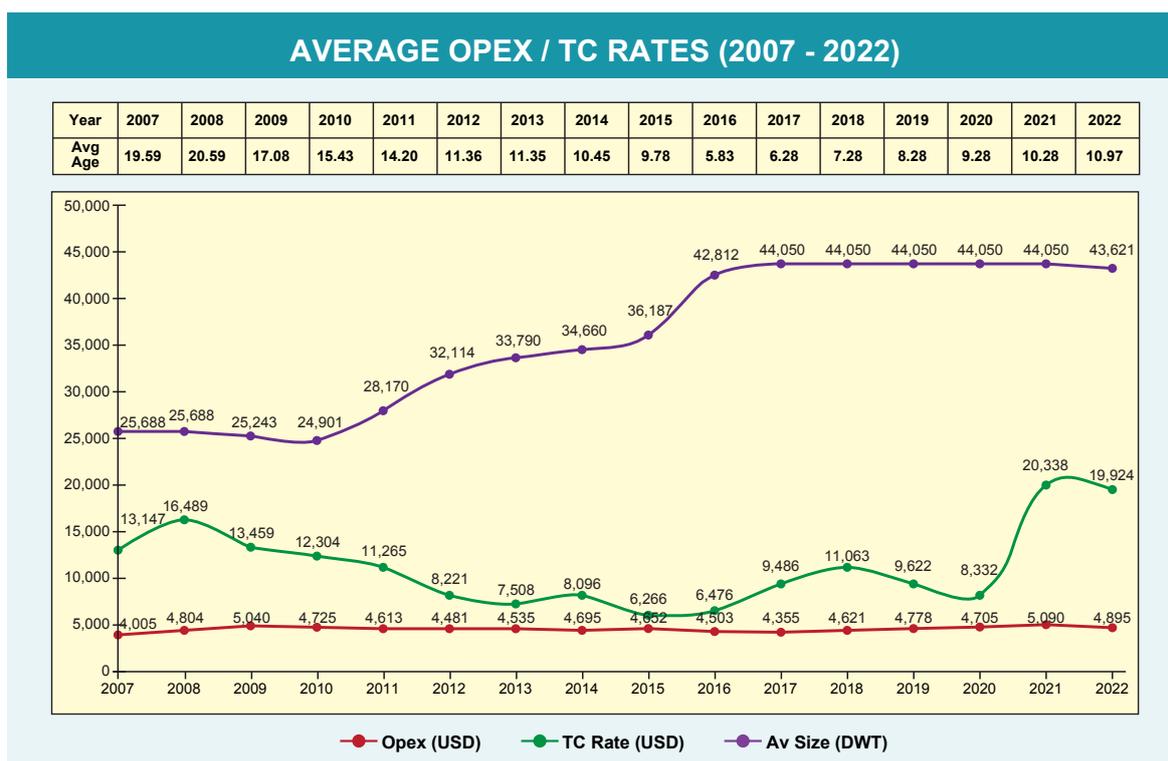
Ship Idle /Down Time - Ship idle time refers to downtime (in days) due to technical reasons only and it means the vessel was "off-hire" at dry-dock or at sea or port for repairs of a routine nature or in case of a breakdown.

Gross Profit - Gross Profit means Vessel operating income less Vessel operating costs.

Gross Profit Margin - Gross Profit margin means gross profit divided by Vessel operating income denominated in percentage.

Administrative Expenses - Administrative expenses include onshore (office) personnel payroll costs, office rent, legal and professional expenses and other expenses of an administrative nature. Administrative expenses in the Financial Statements also include cost of personnel employed for technical management of vessels. However, for calculating average Vessel operating expenses per day per vessel (Opex), such relevant portion of administrative expenses is considered and included in the Opex as Management Fees.

1.2 VESSEL EARNINGS AND VESSEL OPERATING EXPENSES



The average earning per day per vessel (TC Rate) was USD 19,924 in 2022, while the average daily operating expense per vessel (Opex) was USD 4,895.

PSL's Handysize and Supramax/Ultramax Vessels Earnings comparison with Market (Source from Clarksons)

Index	2022 Average Index	Market Average Time Charter Rate USD (Per Day)	PSL Average Time Charter Rate USD (Per Day)	Performance Over (Under) vs Benchmark
Baltic Handy Size Index (BHSI)	1,185	21,337	17,523	(17.88%)
Baltic Supramax Index (BSI)	2,014	22,152	22,748	2.69%

During the year 2022, the Baltic Handy Size Index (BHSI) averaged 1,185 points derived from the average Time Charter (TC) rate of USD 21,337 per day and as compared to that, PSL's Handysize fleet (including its cement carriers) earned USD 17,523 per day underperforming the BHSI TC rate by 17.88%. The Baltic Supramax Index (BSI) averaged 2,014 points derived from the average Time Charter (TC) rate of USD 22,152 per day and as compared to that, PSL's Supramax/Ultramax vessels earned USD 22,748 per day, outperforming the BSI TC rate by 2.69%.

PSL's daily vessel operating expenses per vessel (Opex) have decreased from USD 5,090 per day (including USD 561 per day on account of dry-dock and special survey costs) in 2021 to USD 4,895 per day

(including USD 453 per day on account of dry-dock and special survey costs) in 2022 which is, as always, far below the industry average (excluding dry-dock and special survey costs which are not reported in Industry Opex) as detailed below.

PSL OPEX comparison with Industry (industry report compiled by BDO LLP)

For years Particulars	Industry * 2021 USD (Per Day)	PSL 2021 USD (Per Day)	PSL 2022 USD (Per Day)
Crew Wages	2,103	2,322	2,292
Provisions	173	172	183
Crew Other	405	273	266
Crew Cost Total	2,681	2,767	2,741
Lubricants	227	186	230
Stores Other	287	238	254
Stores Total	514	424	484
Spares	363	372	267
Repair & Maintenance	323	169	183
Repair & Maintenance Total	686	541	450
P& I Insurance	182	193	183
Insurance	185	142	195
Insurance Total	367	335	378
Registration Costs	42	4	5
Management Fees	498	358	310
Sundries	181	100	74
Administration Total	721	462	389
Total Operating Costs	4,969	4,529	4,442

* OPEX for industry calculated by simple average OPEX of Handysize and Handymax

OPEX excluding dry-dock and special survey costs was lower mainly on account of repair and maintenance expenses.

1.3 CREDIT/LOAN FACILITIES

The details of loan facilities are summarized as follows:

Facility	Lender's Bank(s)	Borrower(s)	Tenor (Years)	Interest Rate	Repayment Term	Drawdown in 2022 Million USD	Repayment/Prepayment in 2022 Million USD	Outstanding Loan Balance as on 31 Dec 2022 Million USD
1	Export-Import Bank of Thailand	The Company, Precious Rubies Ltd., Precious Opals Ltd., Precious Venus Ltd., and Precious Neptune Ltd.	10.0	LIBOR + margin	39 equal quarterly installments of 1/55 th of each loan drawdown amount, commenced 3 months after delivery of each respective vessel and a balloon repayment of the remaining balance at the end of the 40 th quarter	-	5.69	37.27

Facility	Lender's Bank(s)	Borrower(s)	Tenor (Years)	Interest Rate	Repayment Term	Drawdown in 2022 Million USD	Repayment/Prepayment in 2022 Million USD	Outstanding Loan Balance as on 31 Dec 2022 Million USD
2	BNP Paribas	The Company, Precious Tides Pte. Ltd., and Precious Skies Pte. Ltd.	8.0	LIBOR + margin	For Precious Tides Pte. Ltd., 32 quarterly installments. Installments 1 - 16: USD 200,000. Installments 17 - 32: USD 300,000. Balloon: USD 4,000,000 in April 2024. For Precious Skies Pte. Ltd., 32 quarterly installments. Installments 1 - 16: USD 212,500. Installments 17 - 32: USD 318,750. Balloon: USD 4,250,000 in July 2024.	-	14.75	-
3 (Upsize Loan)	BNP Paribas	The Company, Precious Tides Pte. Ltd., and Precious Skies Pte. Ltd.	4.0	LIBOR + margin	16 equal quarterly installments of USD 662,500 commencing 3 months after loan drawdown	-	1.84	-
4	BNP Paribas	The Company, and Precious Grace Pte. Ltd.	8.0	LIBOR + margin	32 equal quarterly installments of USD 304,687.80 commencing 3 months after loan drawdown and a balloon repayment of USD 4,874,990.40 together with the last installment in June 2025	-	9.14	-
5	Export-Import Bank of Thailand	The Company, and Precious Forests Ltd.	10.0	LIBOR + margin	39 equal quarterly installments of 1/55 th of loan drawdown amount, commencing from the end of the quarter after loan drawdown and a balloon repayment of the remaining balance at the end of the 40th quarter	-	1.18	12.66
6	Krung Thai Bank Plc., Bank of Ayudhya Plc., and TMBThanachart Bank Plc.	The Company, Precious Metals Ltd., Precious Planets Ltd., Precious Trees Ltd., and Precious Ventures Ltd.	11.0	LIBOR ⁽¹⁾ + margin for USD Loan	44 equal quarterly installments, commencing in December 2011	-	6.28	-
		The Company, Precious Jasmines Ltd., and Precious Wishes Ltd.	12.0	MLR-1 for Thai Baht Loan ⁽²⁾	48 equal quarterly installments, commencing in December 2010	-	2.86	-
7	Export-Import Bank of Thailand	The Company, Precious Lands Ltd., Precious Lakes Ltd., Precious Ponds Ltd., Precious Comets Ltd., and Precious Ornaments Ltd.	7.0	LIBOR + margin	27 equal quarterly installments commencing 3 months after the first drawdown and a balloon repayment of the remaining balance at the end of the term	-	2.80	21.70
8	SinoPac Capital International (HK) Limited	Precious Visions Pte. Ltd.	5.0	LIBOR + margin	20 equal quarterly installments of USD 211,250 commencing 3 months after loan drawdown and a balloon repayment of USD 1,775,000 together with the last installment at the end of the term.	-	0.85	4.31
9	Export-Import Bank of Thailand	The Company, Precious Pearls Ltd., and Precious Thoughts Pte. Ltd.	2.5	LIBOR + margin	The loan shall be repaid in 10 quarterly installments of USD 1,010,000, beginning from the end of the next quarter after drawdown date with balance amount repayable at the end of the 10 th quarter.	-	4.04	4.04
10	Crédit Agricole Corporate and Investment Bank	Precious Forests Pte. Ltd., Precious Fragrance Pte. Ltd., Precious Glories Pte. Ltd., Precious Wisdom Pte. Ltd., Precious Sparks Pte. Ltd., and Precious Bridges Pte. Ltd.	5.0	LIBOR ⁽¹⁾ + margin	The loan which comprises 5 vessel tranches, shall be repaid over 5 years, in 20 equal quarterly installments beginning three calendar months after the drawdown date together with a balloon (except Tranche F) payable on maturity of the loan. (Details in note 18 to the financial statements)	-	5.48	31.50

Facility	Lender's Bank(s)	Borrower(s)	Tenor (Years)	Interest Rate	Repayment Term	Drawdown in 2022 Million USD	Repayment/Prepayment in 2022 Million USD	Outstanding Loan Balance as on 31 Dec 2022 Million USD
11	International Finance Corporation, Export-Import Bank of Thailand and TMBThanachart Bank Public Company Limited	Precious Comforts Pte. Ltd., ABC One Pte. Ltd., ABC Two Pte. Ltd., ABC Three Pte. Ltd., and ABC Four Pte. Ltd.	8.0	LIBOR ⁽¹⁾ + margin	The Loan, which comprises 5 vessel tranches, shall be repaid over a maximum tenor of 8 years, in 32 quarterly installments as the amounts stipulated in the agreement beginning on 30 December 2021 together with a balloon payment payable on final maturity of the Loan.	-	13.11	68.16
12	Bangkok Bank Plc, Singapore Branch	Precious Grace Pte.Ltd.	6.0	SOFR + margin	The loan shall be repaid in 24 quarterly installments of USD 712,500, beginning three calendar months after the drawdown date.	17.10	1.42	15.68

(1) Floating LIBOR was swapped to fixed rate as mentioned in note 17 to the financial statements.

(2) Baht 1,502.35 million was swapped to USD 45.90 million at drawdown date.

As of 31 December 2022, the Company complied with all financial covenants for all loan facilities. The details of financial covenants for each loan facility are also disclosed in note 17 to the financial statements.

1.4 FINANCIAL PERFORMANCE BASED ON US DOLLAR (FUNCTIONAL CURRENCY)

The following table summarises the financial performance of the Company for the last 2 years. All figures quoted are from the US Dollar (Functional Currency) Financial Statements per note 35 to Audited Consolidated Financial Statements.

For the year ended / as at	31-Dec-2021	31-Dec-2022	Increase (Decrease) %
	Million USD	Million USD	
Income Statement			
Total revenues	272.09	260.45	(4.28)
Net vessel operating income	255.71	257.41	0.66
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) *	175.17	180.33	2.95
Depreciation *	30.43	31.45	3.35
EBIT	144.74	148.88	2.86
Finance cost	13.00	11.12	(14.46)
Operating profit (loss)	131.74	137.77	4.58
Non-operating profit (loss)	5.27	1.27	(75.95)
Net Profit (loss) before Tax	137.01	139.04	1.48
Income tax expense	0.05	0.43	760.00
Net Profit (loss) **	136.96	138.61	1.20
Financial Position			
Cash and cash equivalents	73.85	30.54	(58.65)
Total current assets	84.07	45.06	(46.40)
Restricted bank deposits	3.59	2.90	(19.22)
Property, plant and equipment	606.97	637.92	5.10
Total Assets	704.09	703.19	(0.13)

For the year ended / as at	31-Dec-2021	31-Dec-2022	Increase (Decrease) %
	Million USD	Million USD	
Advances received from charterers	2.60	1.58	(39.23)
Current portion of long-term loans	42.15	33.61	(20.26)
Total current liabilities	57.35	54.03	(5.79)
Long-term loans - net of current portion	203.75	160.50	(21.23)
Total Liabilities	274.25	226.87	(17.28)
Equity share capital	51.06	51.06	-
Premium on ordinary shares	63.29	63.29	-
Total Shareholder's Equity	429.84	476.32	10.81
Net Book Value per share (USD)	0.28	0.31	10.81

* EBITDA and Depreciation are considered after depreciation on dry-docking and special survey expenses. These expenses are included in vessel operating cost for the purpose of computing EBITDA, which is in line with Company's policy of disclosing average daily vessel operating expenses (Opex) after including dry docking and special survey expenses.

** Net profit (loss) represents net profit (loss) attributable to equity holders of the Company.

• Revenues and Profitability

Total revenues have decreased from USD 272.09 million in 2021 to USD 260.45 million in 2022. The net vessel operating income has increased from USD 255.71 million in 2021 to USD 257.41 million in 2022, with the average vessel earnings per day per vessel (TC Rate) decreasing from USD 20,338 in 2021 to USD 19,924 in 2022. In the first half of 2022, the dry-bulk freight market saw an uptrend, but rates softened in the latter half of the year due to an increase in US interest rates, a worsening property sector in China, and lower cargo flows out of Ukraine due to the Russia-Ukraine war. The Company operated 36 vessels in 2021 compared with 38 vessels at the end of 2022. The average daily vessel operating expenses (Opex) have decreased from USD 5,090 in 2021 to USD 4,895 in 2022 (including depreciation/amortisation of the drydocking/special survey expenses in both years). Operating cash flows or Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) has increased from USD 175.17 million in 2021 to USD 180.33 million in 2022.

The average daily vessel operating expenses have decreased, and it remains far below the Industry average as explained in Section 1.2 above.

Depreciation (excluding depreciation of dry-dock and special survey cost) has increased marginally from USD 30.43 million in 2021 to USD 31.45 million in 2022.

Finance costs have decreased from USD 13.00 million in 2021 to USD 11.12 million in 2022 due to lower interest expenses. This was driven by a reduction in overall debt.

The Company earned an operating profit of USD 137.77 million in 2022, compared to an operating profit of USD 131.74 million in 2021. The Company also has a non-operating profit of USD 1.27 million in 2022 compared to USD 5.27 million in 2021 which is mainly from the net of exchange gains and loss on derivatives.

Income Tax at USD 0.43 million in 2022 and USD 0.05 million in 2021 is the income-tax on non-shipping income.

As a result of the above factors, the Company has earned a net profit of USD 138.61 million in 2022 compared to a net profit of USD 136.96 million in 2021.

- **Assets, Liabilities and Shareholders' Equity**

Current Assets

As compared to the end of the previous year, there is a decrease of USD 39.01 million in current assets, mainly driven by a decrease in cash and cash equivalents of USD 43.31 million as the Company purchased 2 secondhand vessels from cash reserves and also prepaid some loans during the year 2022. The Company collects almost all its income in advance (95% of Freight in case of a Voyage Charter and 15 days' hire in case of Time Charter) and as such, there is usually no concern in respect of collection of receivables and consequently, the amount presented as receivables is largely on account of miscellaneous dues from Agents, Charterers and accrual of income on the basis of percentage of voyage completed. The Company policy has set up an allowance for expected credit losses (ECLs) by applying the simplified approach as described in Note 4.18 to the financial statements. As of 31 December 2022, only USD 0.002 million was set up for ECLs.

Restricted Bank Deposits

Restricted bank deposits decreased by USD 0.69 million, in following with the terms of a loan agreement as mentioned under Note 9 and Note 17 to the financial statements.

Property, Plant and Equipment

The value of Property, Plant and Equipment has increased from previous year's levels due to the purchase of 2 secondhand vessels. As of 31 December 2022, the Company owned 38 vessels, details of which have been provided under the Fleet List section of this Report.

Total Liabilities

The Company had USD 245.90 million of loans outstanding at the beginning of 2022. During the year, total loans drawn were in the amount of USD 17.10 million while total loan repayments and prepayments were in the amount of USD 69.44 million. On 31 December 2022, the Company's secured outstanding loans (net of current portion) figure was USD 160.50 million while the aggregate secured outstanding loan figure was USD 194.12 million.

The total liabilities have decreased from USD 274.25 million in 2021 to USD 226.87 million in 2022.

Shareholders' Equity

In 2022, the Company earned a net profit of USD 138.61 million and paid dividend of USD 101.35 million. After change in CSR Reserve, other components of shareholders equity and minority interest, the Shareholders' Equity stands at USD 476.32 million which is up from USD 429.84 million at the end of 2021. The net book value per share is USD 0.31 at the end of 2022.

- **Leverage, Liquidity and Coverage**

For the year ended / as at	31-Dec-2021	31-Dec-2022
Ratios (times)		
Current Ratio	1.47	0.83
Total Liabilities/Equity	0.64	0.48
Debt Service Coverage ***	3.21	3.52
EBITDA/Interest	14.42	17.82

*** The ratios are calculated in compliance with the financial covenants stated in the credit facility agreements.

As of 31 December 2022, the Company's gearing (Total Liabilities/Total Shareholder's Equity) stands at 0.48X, down from 0.64X on 31 December 2021. The ratio declined due to a decrease in total liabilities as the Company repaid and prepaid loans.

The Company's EBITDA of USD 180.33 million in 2022 was higher than the USD 175.17 million figures reported in 2021.

The Company's current ratio for 2022 is 0.83X which decreased from 1.47X in 2021, due to the decrease in cash and cash equivalents.

As of 31 December 2022, the Company's debt service coverage ratio is 3.52X while the interest coverage ratio is 17.82X.

1.5 REVIEW AND ANALYSIS OF AUDITED CONSOLIDATED THAI BAHT FINANCIAL STATEMENTS

• Analysis of Income Statements

The net vessel operating income for the year 2022 (net of voyage disbursements and bunker consumption) increased by about 9% as compared to the figure in 2021 because the dry-bulk freight market saw an uptrend in the first half of 2022, but rates softened in the latter half of the year due to an increase in US interest rates, a worsening property sector in China, and lower cargo flows out of Ukraine due to the Russia-Ukraine war. Vessel running expenses for 2022 have increased about 12% as compared to 2021 due to the depreciation of the Thai Baht against the US Dollar. In 2022, the total vessel operating costs which comprises of vessel running expenses, voyage disbursements and bunker consumption, decreased by about 1%, compared to total vessel operating costs for the previous year. In 2022, vessel disbursements and bunker consumption decreased, as voyage charters decreased from 6.2% in 2021 to 0.8% in 2022.

The average daily TC rate per vessel and the average daily OPEX was lower than the previous year. The Gross Profit increased by 8% compared to the previous year while the Gross Profit Margin increased from 76% to 77%.

Interest income in 2022 increased by Baht 12.72 million as compared to 2021.

The Company recorded exchange gains in the amount of Baht 0.50 million in 2022 compared to Baht 194.37 million in 2021. In 2021, exchange gains were mainly because favorable currency movement led to a reduction in the US Dollar equivalent figure of Thai Baht denominated debt.

Administrative expenses (including management remuneration) for 2022 have decreased by Baht 64.33 million as compared to 2021 mainly due to a decrease in variable compensation expenses.

Loss on derivatives of Baht 68.67 million in 2021 was mainly due to the unwinding of interest rate swap contracts, following loan prepayments compared to Baht 1.41 million in 2022.

Corporate income tax was Baht 15.35 million for the year 2022 compared to Baht 1.68 million for the year 2021.

The total expenses (excluding depreciation) in 2022, as compared to the previous year (excluding depreciation), are lower due to a decrease in administrative expenses and loss on derivatives as mentioned above.

Depreciation has slightly increased from Baht 1,213.65 million in 2021 to Baht 1,324.37 million in 2022.

Finance costs have decreased by Baht 22.88 million due to lower interest expenses. This was driven by a reduction in overall debt.

As a result of the above factors, the Company has reported a profit of Baht 4,850.79 million for 2022 as compared to a profit of Baht 4,474.93 million in the previous year.

• Analysis of Statements of Comprehensive Income

The Company reported Baht 754.54 million as other comprehensive gain for the year 2022 as compared to a gain of Baht 1,314.90 million for the year 2021. The movement was mainly from change in exchange differences on translation of functional currency to presentation currency financial statements.

- **Analysis of Statements of Financial Position**

As compared to the end of 2021, there is a Baht 1,252.05 million decrease in current assets, due to a Baht 1,412.54 million decrease in cash and cash equivalent although offset by an increase in trade and other receivables of Baht 103.82 million.

Restricted bank deposits decreased by Baht 19.62 million, in accordance with a loan agreement as is mentioned in note 9 and 17 to the financial statements

Derivative assets increased by Baht 266.41 million due to the increase in fair value of interest rate swap agreements.

Property, Plant and Equipment increased by Baht 1,763.17 million, mainly from the purchase of 2 secondhand vessels.

Total assets increased by Baht 773.46 million from Baht 23,530.50 million in 2021 to Baht 24,303.96 million in 2022 as per mentioned above.

Total current liabilities decreased by Baht 49.13 million as compared to the previous year due a reduction in the current portion of long-term loans, and advances received from charterers offsetting with the increase in total trade and other payables.

As at the end of 2022, the Company's long-term loans (net of current portion) figure was Baht 5,547.29 million while aggregate long term loans figure was Baht 6,709.07 million. During the year 2022, the Company had aggregate loan drawdowns in the amount of Baht 591.82 million and aggregate loan repayments and prepayments in the amount of Baht 2,425.44 million.

Total Liabilities decreased from Baht 9,165.49 million at the end of 2021 to Baht 7,841.16 million at the end of 2022.

Total shareholders' Equity increased from Baht 14,365.01 million at the end of 2021 to Baht 16,462.81 million at the end of 2022. The movement was due to a net profit of Baht 4,850.79 million, dividend of Baht 3,507.54 million and other comprehensive income of Baht 754.54 million.

- **Analysis of Statements of Cash flows**

During the year under review, Baht 6,576.25 million of cash was generated from operations. This is about 7.18% higher than the cash generated from operations in the previous year.

After adjusting for Working Capital Changes, the net cash generated from operations and available for use in investing and financing activities was Baht 6,604.05 million.

During the year, the Company paid Baht 2,446.16 million for acquisition of 2 vessels, vessel equipment and dry docking/special survey expenses. The Company also received a dividend in the amount of Baht 30.28 million from an investment in an associate company. After adjustments, the net cash flow used in investing activities was Baht 2,415.92 million.

During the year, the Company had aggregate loan drawdowns in the amount of Baht 591.82 million and aggregate loan repayments and prepayments in the amount of Baht 2,425.44 million. The Company paid Baht 378.36 million as interest expenses and deferred financial fees. The Company paid dividends amounting to Baht 3,507.54 million. After adjustments, the net cash flow used in financing activities was Baht 5,705.23 million.

2. FACTORS THAT MAY IMPACT FUTURE BUSINESS OPERATIONS (TO BE READ WITH THE SUSTAINABLE DEVELOPMENT PRESENTED SEPARATELY IN THIS REPORT)

2.1 SUSTAINABILITY MANAGEMENT IN BUSINESS

The Company identified material sustainability issues covering the environmental, social, and governance that may have an impact on the Company's business operations, as well as communicated the business strategies

to respond to the stakeholders' expectations which is an important factor for creating long-term value for the organization and supporting sustainable business operations.

- **Environment**

We take our obligation to reduce the environmental impact of our business very seriously. We have measurably reduced emissions by replacing our fleet of older vessels with modern fuel-efficient vessels. We committed to operating environmentally friendly ships and implemented a number of fuel-saving measures such as

- Achieved around 5% savings in energy/reduction in emissions per vessel by installing wake equalizing ducts on 18 vessels in the fleet.
- Regular cleaning of the external underwater hull and propeller so that frictional losses are kept to a minimum
- Usage of efficient hull coatings (anti-fouling paints)
- Avoiding wastage of electric power on board
- Implementation of active weather routing on voyages to increase efficiency
- Using low sulphur fuel oil rather than installing scrubbers that cause acidification of the ocean.
- Ballast water treatment plants have insofar been installed on 37 of PSL's fleet of 38 vessels. These treatment plants are designed to remove, render harmless, and thereby prevent transfer of harmful bacteria and invasive species of microlife through ballasting and de-ballasting operations between ports.

To continue improvement in emission related performance and reduce its carbon footprint, PSL has specific emission reduction targets in line with IMO's goal to reduce overall greenhouse gas emission by 50% from 2008 levels by 2050.

- **Social**

PSL recognizes the importance of human capital in the growth and success of its business. Therefore, we strive to enhance the competence and skills of our employees by conducting a range of in-house training and development programs for employees across the organization. In 2022, the Company spent a total of baht 1.06 million on training to develop the workforce's skills and knowledge of staff onshore and onboard.

PSL is committed to continuous advancement and automation of its operations to ensure the highest level of operational efficiency. Further, we are committed to implementing latest technologies to improve operational efficiencies and reduce our environmental impact.

Over the years, we have made significant donations to community schools as well as provided scholarships to deserving students at the Merchant Marine Training Centre and various such activities since 1995.

Summary social activities included donations and scholarships in 2022 as follows

- Provided scholarships to 42 students of the Merchant Marine Training Centre, Baht 1.99 million.
- Provided a Baht 1.00 million donation to Mechai Pattana School in the rural Lamplimat District of Buriram Province.
- 42 PSL employees volunteered to clean up Ban Amphur Beach in Chonburi as part of the 2022 World Maritime Day celebration.

- **Governance**

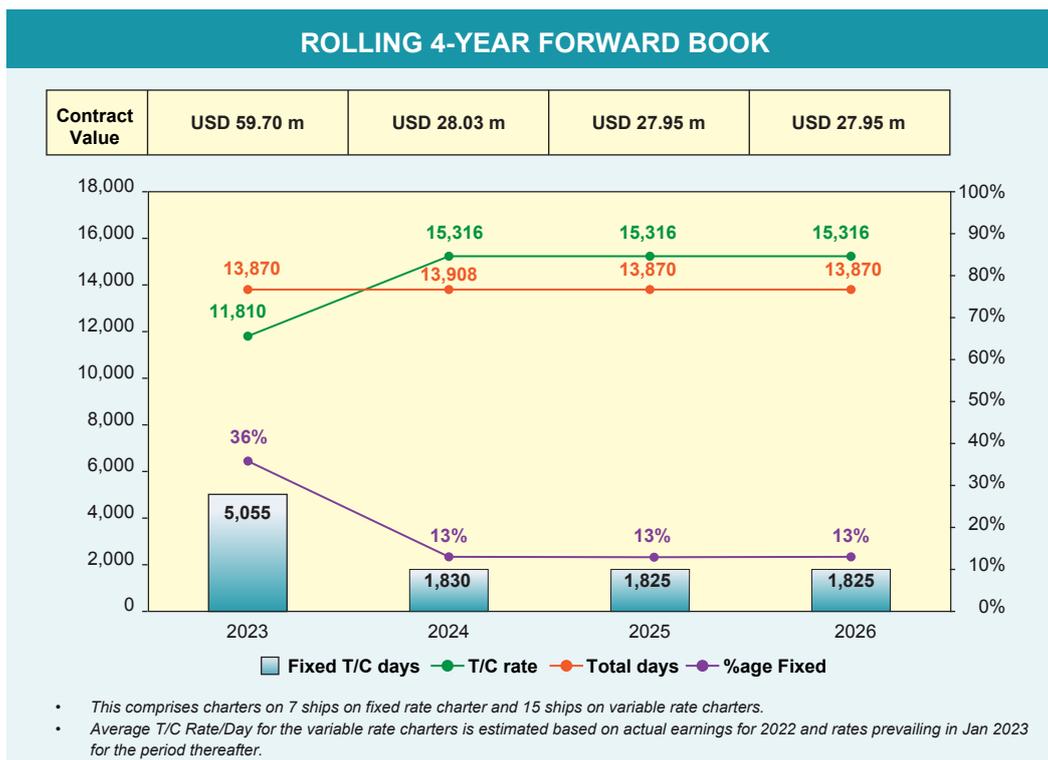
The Company recognizes that good Corporate Governance is important and necessary for sustainable growth in business and long-term shareholder value, and accordingly, the Board of Directors has reinforced corporate governance by including policies and directions on operating the business, set up adequate internal controls and internal audit systems and monitoring management to perform effectively under the policy to ensure long term interests of shareholders under applicable laws with full transparency and correct business ethics.

Awards and Recognitions for Good Corporate Governance in 2022

- We have been included in the Stock Exchange of Thailand's Thailand Sustainability Investment (THSI) list for 2022.
- We were classified as a company with "Excellent" Corporate Governance for 13 consecutive years from 2010 to 2022, by IOD & National CG Committee.
- We earned 100 full AGM assessment scores for the fifth consecutive years from 2018 to 2022, by Thai Investors Association (TIA)
- In August 2019, we were certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), and our membership was renewed in March 2022.

2.2 MARKET CONDITIONS (TO BE READ WITH THE BOARD OF DIRECTORS' REPORT PRESENTED SEPARATELY IN THIS REPORT)

Precious Shipping PCL (hereinafter referred to as PSL or the Company) continues to own and operate its vessels on a tramp-shipping basis in the geared sector of the Dry Bulk International Shipping market. The Company started business in the handy-sized sector of the industry. In late 2011, the Company expanded into the larger Supramax sector and acquired nine vessels over a period of two years. In 2014 and 2015, the Company took delivery of four newbuilding double hull cement carriers, which were custom-built for a customer and chartered to them for the long-term. From 2014 to 2017, the Company took delivery of eight newbuilding Ultramax vessels and these are currently the largest vessels in the fleet. In 2022, the Company took delivery of two secondhand handysize vessels. Starting from the year 2004, PSL had put in place its business strategy to enter into long-term time charters (Period Charters) at reasonably high freight rates, whenever possible, for periods ranging from 3 months to 5 years or longer at opportune times. This policy was successfully applied right until the third quarter of 2008 after which the market dropped and remained depressed for about a decade, during which time it was not possible to renew or enter into new period charters at attractive rates. PSL's intention is to continue to charter out our vessels on long-term time charters whenever practical and economically viable. In 2021, dry-bulk freight markets strengthened to a level not seen since 2008 and so the Company was to a limited extent, able to implement its strategy of entering into long term time charters. In 2022, the Company continue its strategy by entering into long term time charters contracts at levels linked to the underlying index for vessels of that size. The rolling 4-year forward book of long-term time charters over 1 year, presented below:

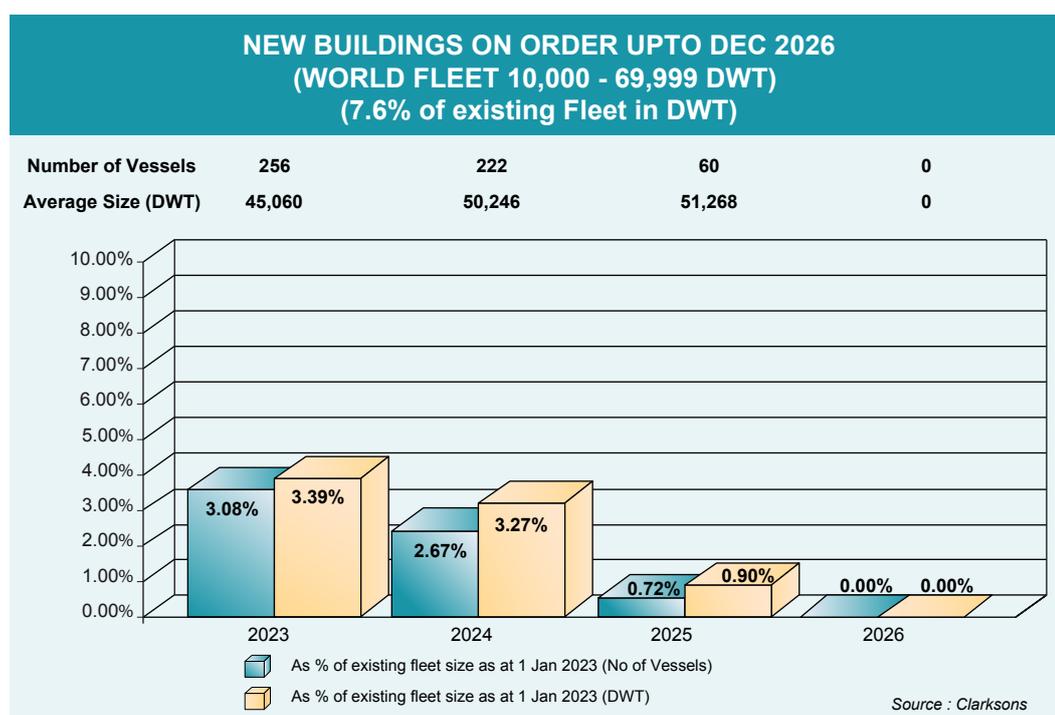


Total Days in the above chart is based on our existing fleet of 38 vessels as at the end of the year 2022.

For further discussions and analysis of the market conditions, please refer to the Board of Directors' Report presented separately in this Report.

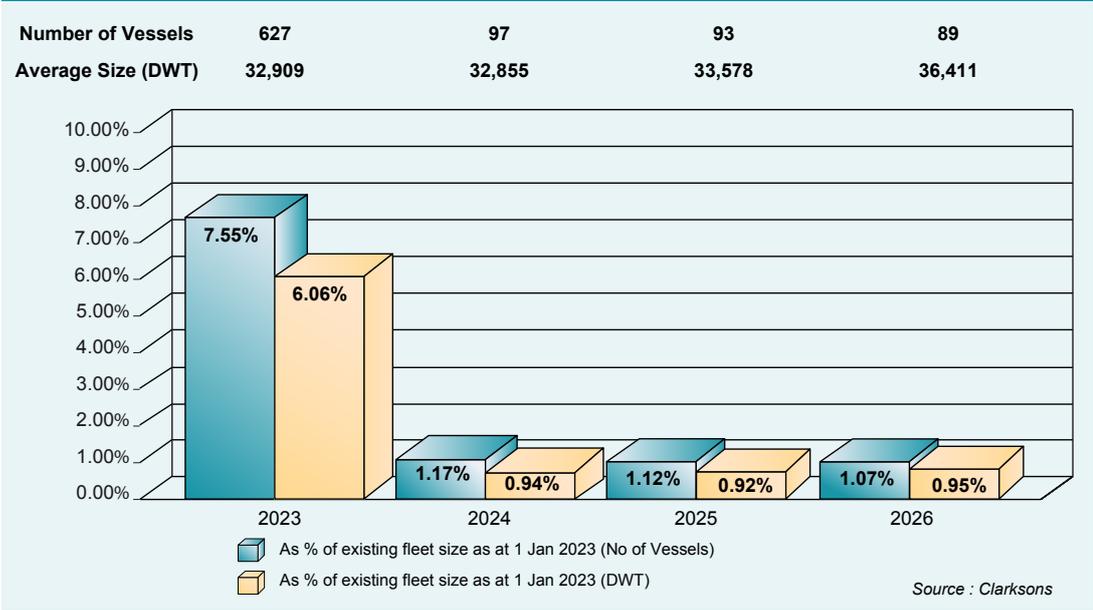
2.3 INDUSTRY OVERVIEW - WORLD DEMAND-SUPPLY OUTLOOK (TO BE READ WITH THE BOARD OF DIRECTORS' REPORT PRESENTED SEPARATELY IN THIS REPORT)

2.3.1 World Fleet (10,000 - 69,999 DWT) - 8,301 vessels of 340.73 million DWT



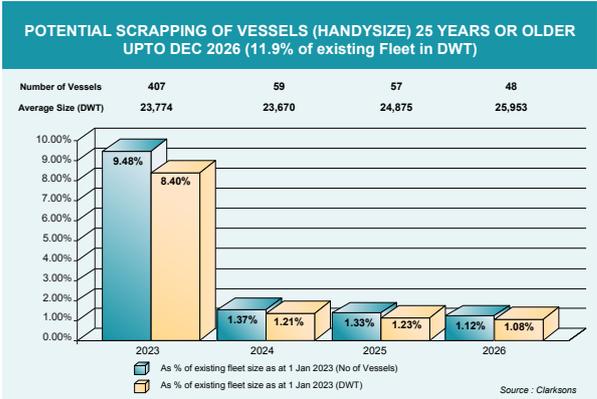
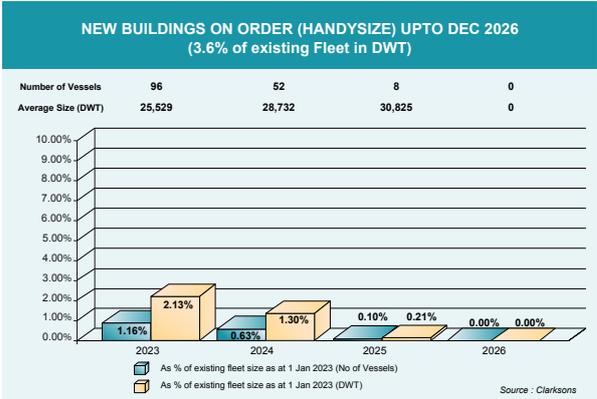
As of 31 December 2022, the world fleet in the 10,000 - 69,999 DWT size range comprises 8,301 vessels of 340.73 million DWT. It is evident from the charts above and below that during the next 4 years, 538 vessels have been contracted to be delivered against 906 vessels which are aged over 25 years old and likely to be recycled, representing a net decrease of 1.3% of existing world fleet in terms of DWT. The effect of ballast water management convention together with new regulations for EEXI and CII will force shipowners to recycle old vessels earlier, and therefore, we can expect fleet growth to stay at or around these low levels that should bring about demand-supply balance in the market.

**POTENTIAL SCRAPPING OF VESSELS 25 YEARS OR OLDER UPTO DEC 2026
(WORLD FLEET 10,000 - 69,999 DWT)
(8.9% of existing Fleet in DWT)**



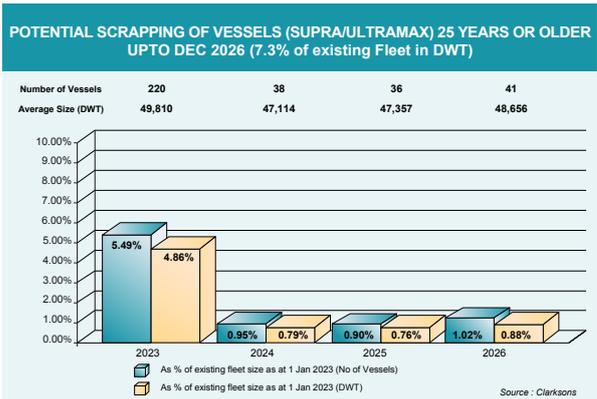
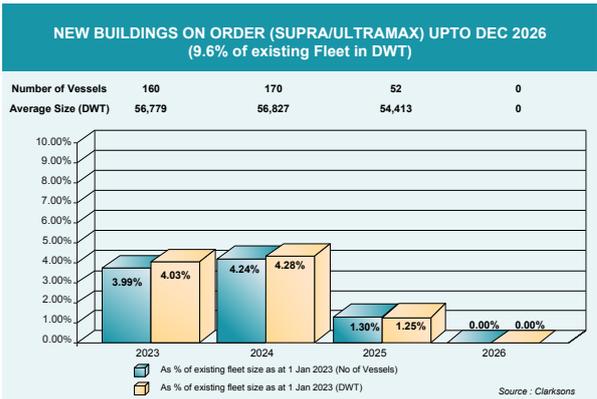
The details of new buildings on order and potential recycling of vessels by fleet size are as follows

2.3.2 Handysize Fleet (10,000 - 39,999 DWT) - 4,292 vessels of 115.14 million DWT



From the above charts, it is evident that over the next 4 years, there are 156 Handysize vessels to be delivered, against 571 Handysize vessels which are aged over 25 years old and likely to be recycled, representing a net decrease of 8.3% of the existing Handysize Fleet in DWT terms.

2.3.3 Supramax/Ultramax Fleet (40,000 - 69,999 DWT) - 4,009 vessels of 225.59 million DWT



From the above chart, it is evident that over the next 4 years, there are 382 Supramax/Ultramax vessels to be delivered, against 335 Supramax/Ultramax vessels which are aged over 25 years old and likely to be recycled, representing a net increase of only 2.3% of existing Supramax/Ultramax Fleet in DWT terms. However, it may be noted that the figures above include old ungeared ships which are of this size range and therefore cannot be considered strictly as Supramax/Ultramax vessels.

3. SIGNIFICANT FINANCIAL INFORMATION

3.1 Statement of Financial Position

	Consolidated Financial Statements		
	2020	2021	2022
Assets			
Current assets			
Cash and cash equivalents	1,100,490,204	2,468,209,354	1,055,667,444
Trade and other receivables	168,701,268	175,329,039	279,149,273
Bunker oil	34,626,909	21,575,202	41,819,267
Derivative assets	515,862,197	-	-
Other current assets			
Advances to vessel masters	27,222,610	30,065,102	37,007,863
Claim recoverables	9,828,095	8,120,546	12,799,390
Lube oil stock on board	45,690,580	76,348,181	91,046,628
Others	35,468,103	29,861,416	39,966,968
Total other current assets	118,209,388	144,395,245	180,820,849
Total current assets	1,937,889,966	2,809,508,840	1,557,456,833
Non-current assets			
Restricted bank deposits	-	119,999,498	100,382,755
Derivative assets	17,838,406	8,452,494	274,862,486
Investment in associate held by a subsidiary	74,311,329	91,237,864	80,644,761
Investment in equity instrument of non-listed company	16,295,352	14,705,103	18,100,095
Property, plant and equipment	19,124,559,416	20,284,980,785	22,048,146,324
Right-of-use assets	24,158,589	20,997,859	15,633,143
Intangible assets	6,905,670	6,371,093	5,583,982
Other non-current assets			
Claim recoverables - maritime claims	46,246,717	27,707,403	70,777,229
Deferred contract costs	145,482,410	143,370,720	129,143,691
Others	3,158,633	3,169,593	3,233,389
Total other non-current assets	194,887,760	174,247,716	203,154,309
Total non-current assets	19,458,956,522	20,720,992,412	22,746,507,855
Total assets	21,396,846,488	23,530,501,252	24,303,964,688

3.1 Statement of Financial Position (continued)

	Consolidated Financial Statements		
	2020	2021	2022
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables			
Trade and other payables	113,675,898	105,315,282	229,485,798
Advances received from related parties	-	-	-
Accrued crew accounts	83,066,645	88,778,986	100,996,598
Accrued expenses	80,160,675	62,205,894	81,591,681
Current portion of accrued employee benefits	-	98,012,687	172,309,065
Total trade and other payables	276,903,218	354,312,849	584,383,142
Advances received from charterers	606,063,035	86,911,294	54,695,861
Current portion of long-term loans	1,500,006,906	1,408,602,518	1,161,783,910
Current portion of debentures	935,514,642	-	-
Current portion of lease liabilities	5,325,635	5,418,838	5,704,577
Derivative liabilities	-	3,995,773	-
Income tax payable	1,594,084	13,676	1,767,934
Other current liabilities	13,898,776	57,341,601	59,130,566
Total current liabilities	3,339,306,296	1,916,596,549	1,867,465,990
Non-current liabilities			
Accrued employee benefits - net of current portion	-	196,025,373	230,257,126
Long-term loans - net of current portion	4,730,340,297	6,809,259,448	5,547,288,752
Debentures - net of current portion	2,855,650,470	-	-
Lease liabilities - net of current portion	19,538,932	14,377,261	9,065,079
Derivative liabilities	82,621,251	11,237,536	-
Deferred tax liabilities	1,965,935	3,470,971	1,532,803
Provision for maritime claims	67,069,060	39,225,204	55,433,804
Provision for long-term employee benefits	166,063,671	175,293,042	130,111,971
Total non-current liabilities	7,923,249,616	7,248,888,835	5,973,689,535
Total liabilities	11,262,555,912	9,165,485,384	7,841,155,525
Shareholders' equity			
Share capital			
Registered share capital			
1,559,291,862 ordinary shares of Baht 1 each	1,559,291,862	1,559,291,862	1,559,291,862
Issued and paid-up share capital			
1,559,291,862 ordinary shares of Baht 1 each	1,559,291,862	1,559,291,862	1,559,291,862
Paid-in capital			
Premium on ordinary shares	1,967,897,516	1,967,897,516	1,967,897,516
Premium on treasury stock	172,445,812	172,445,812	172,445,812
Retained earnings			
Appropriated			
Statutory reserve - the Company	103,952,060	155,929,186	155,929,186
- subsidiaries	420,420,000	420,420,000	571,500,000
Corporate social responsibility reserve	17,769,466	36,261,237	57,162,181
Unappropriated	7,626,094,265	10,471,445,662	11,690,107,761
Other components of shareholders' equity	(1,733,611,140)	(418,712,005)	288,433,916
Equity attributable to owners of the Company	10,134,259,841	14,364,979,270	16,462,768,234
Non-controlling interests of the subsidiaries	30,735	36,598	40,929
Total shareholders' equity	10,134,290,576	14,365,015,868	16,462,809,163
Total liabilities and shareholders' equity	21,396,846,488	23,530,501,252	24,303,964,688

3.2 Statement of Income

	Consolidated Financial Statements		
	2020	2021	2022
Revenues			
Vessel operating income			
Time charter income	2,874,426,465	7,722,877,287	8,992,495,651
Voyage charter income	851,870,074	888,876,146	132,297,244
Total vessel operating income	3,726,296,539	8,611,753,433	9,124,792,895
Service income	3,766,377	3,632,948	3,941,486
Interest income	8,523,278	1,870,185	14,593,731
Dividend income	-	509,281	-
Exchange gains	-	194,370,139	497,429
Gains on ineffective portion of cash flow hedge on fair value adjustment of hedging instruments	-	1,041,074	-
Gain on derivative	11,991,915	-	-
Other income	479,579	1,117,433	2,815,371
Total revenues	3,751,057,688	8,814,294,493	9,146,640,912
Expenses			
Vessel operating costs			
Vessel running expenses	1,557,391,220	1,774,511,844	1,983,300,244
Voyage disbursements	163,171,189	110,688,544	38,938,735
Bunker consumption	288,483,387	200,298,325	48,438,189
Total vessel operating costs	2,009,045,796	2,085,498,713	2,070,677,168
Depreciation	1,213,009,012	1,213,654,309	1,324,374,022
Cost of services	3,980,753	5,358,997	5,647,373
Administrative expenses	278,688,209	407,870,640	370,616,540
Management remuneration including perquisites	56,924,197	172,977,473	145,901,550
Losses on settlement agreement	868,716,922	-	-
Expected credit losses (reversal)	9,009,676	(8,776,627)	(1,348,625)
Exchange losses	14,743,899	-	-
Losses on ineffective portion of cash flow hedge on fair value adjustment of hedging instruments	1,018,311	-	-
Losses on derivative	-	68,667,974	1,414,309
Total expenses	4,455,136,775	3,945,251,479	3,917,282,337
Operating profit (loss)	(704,079,087)	4,869,043,014	5,229,358,575
Share of profit from investment in associate held by a subsidiary	10,813,223	22,798,670	29,131,662
Finance cost	(597,148,713)	(415,226,947)	(392,348,870)
Profit (loss) before income tax expenses	(1,290,414,577)	4,476,614,737	4,866,141,367
Income tax expenses	(4,441,846)	(1,682,458)	(15,352,015)
Profit (loss) for the year	(1,294,856,423)	4,474,932,279	4,850,789,352
Profit (loss) attributable to:			
Equity holders of the Company	(1,294,854,929)	4,474,929,926	4,850,786,205
Non-controlling interests of the subsidiaries	(1,494)	2,353	3,147
Profit (loss) for the year	(1,294,856,423)	4,474,932,279	4,850,789,352
Basic earnings per share			
Profit (loss) attributable to equity holders of the Company	(0.83)	2.87	3.11

3.3 Statement of comprehensive income

	Consolidated Financial Statements		
	2020	2021	2022
Profit (loss) for the year	(1,294,856,423)	4,474,932,279	4,850,789,352
Other comprehensive income:			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
Exchange differences on translation of financial statements in foreign currency - net of income tax	(1,690,350)	(4,121,925)	(637,931)
Gains (losses) on cash flow hedges	(228,797,964)	84,294,806	276,341,014
Changes in cost of hedging	68,344,830	(1,511,483)	(1,317,873)
Other comprehensive income to be reclassified to profit or loss in subsequent periods	(162,143,484)	78,661,398	274,385,210
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Losses on measurement of fair value of investment in equity instrument of non-listed company	(751,918)	(3,425,444)	2,892,281
Actuarial gain	-	-	47,395,540
Exchange differences on translation of functional currency to presentation currency financial statements	33,039,987	1,239,666,691	429,869,614
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	32,288,069	1,236,241,247	480,157,435
Other comprehensive income for the year	(129,855,415)	1,314,902,645	754,542,645
Total comprehensive income for the year	(1,424,711,838)	5,789,834,924	5,605,331,997
Total comprehensive income attributable to:			
Equity holders of the Company	(1,424,710,302)	5,789,829,061	5,605,327,666
Non-controlling interests of the subsidiaries	(1,536)	5,863	4,331
	(1,424,711,838)	5,789,834,924	5,605,331,997

3.4 Cash flow statement

	Consolidated Financial Statements		
	2020	2021	2022
Cash flows from operating activities			
Profit (loss) before tax	(1,290,414,577)	4,476,614,737	4,866,141,367
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:			
Depreciation and amortisation	1,214,072,572	1,214,915,813	1,325,783,590
Expected credit losses (reversal)	9,009,676	(8,776,627)	(1,348,625)
Amortisation of deferred contract costs	17,390,156	17,780,093	19,490,323
Losses on settlement agreement	868,716,922	-	-
Write-off equipment	15,379	26,378	21,547
Gains on sales of equipment	(134,135)	(734,380)	(359,118)
Share of profit from investment in associate held by a subsidiary	(10,813,223)	(22,798,670)	(29,131,662)
Reversal of provision for maritime claims	(786,045)	(11,763,717)	(25,828,686)
Provision for long-term employee benefits	14,005,110	12,329,100	11,605,983
Unrealised exchange losses (gains)	3,729,763	(15,210,775)	19,772,200
Amortised financial fees to interest expenses	18,335,505	14,839,208	23,334,423
Finance cost	580,264,012	389,687,738	362,220,539
Amortisation of deferred debentures issuing cost	4,689,483	217,819	-
Dividend income	-	(509,281)	-
(Gains) losses on derivative	(11,991,915)	68,667,974	1,414,309
(Gains) losses on ineffective portion of cash flow hedge on fair value adjustment of hedging instruments	1,018,311	(1,041,074)	-
Write-off withholding tax deducted at source	1,665,893	1,680,297	3,133,175
Profit (loss) from operating activities before changes in operating assets and liabilities	1,418,772,887	6,135,924,633	6,576,249,365
Operating assets (increase) decrease			
Trade and other receivables	5,531,578	15,506,027	(101,263,570)
Bunker oil	148,968,348	18,830,573	(23,426,715)
Other current assets	21,921,684	(10,372,746)	(25,503,936)
Other non-current assets	1,627,747	-	(60,048)
Operating liabilities increase (decrease)			
Trade and other payables	(243,361,663)	70,978,907	214,079,889
Advances received from charterers	537,873,946	(563,441,815)	(40,155,707)
Other current liabilities	(10,193,834)	41,263,982	(2,729,860)
Non-current liabilities	-	194,207,543	19,455,150
Cash flows from operating activities	1,881,140,693	5,902,897,104	6,616,644,568
Cash paid for long-term employee benefits	(13,612,347)	(3,079,425)	(9,441,060)
Cash paid for corporate income tax and withholding tax deducted at source	(3,565,150)	(4,388,883)	(3,150,552)
Net cash flows from operating activities	1,863,963,196	5,895,428,796	6,604,052,956

3.4 Cash flow statement (continued)

	Consolidated Financial Statements		
	2020	2021	2022
Cash flows from investing activities			
Acquisitions of condominium unit, equipment and payment of dry-dock and special survey expenses	(272,940,951)	(255,979,214)	(2,446,160,135)
Cash received from sales of equipment	163,726	734,388	359,551
Acquisitions of computer software	(1,260,994)	-	(400,706)
Cash received from settlement agreement	1,269,067,500	-	-
Dividend received	2,057,537	19,890,961	30,282,716
Net cash flows from (used in) investing activities	997,086,818	(235,353,865)	(2,415,918,574)
Cash flows from financing activities			
Increase in restricted bank deposits	-	(119,999,498)	22,711,824
Cash paid for interest expense	(592,998,193)	(415,463,566)	(371,819,680)
Cash paid for deferred financial fees	(16,019,379)	(74,172,066)	(6,539,484)
Cash paid for lease liabilities	(5,828,956)	(6,435,368)	(7,071,527)
Cash paid for derivative	(20,027,323)	(61,397,576)	(1,352,892)
Cash received from long-term loans	1,717,826,610	4,397,359,535	591,824,160
Repayment of long-term loans	(980,121,482)	(1,429,562,520)	(1,345,752,868)
Prepayment of long-term loans	(1,656,434,867)	(1,584,605,203)	(1,079,688,540)
Repayment of debentures - net	(1,374,794,550)	(3,569,217,818)	-
Dividend paid	-	(1,559,109,632)	(3,507,538,702)
Net cash flows used in financing activities	(2,928,398,140)	(4,422,603,712)	(5,705,227,709)
Increase (decrease) in translation adjustments	(13,342,598)	130,247,931	104,551,417
Net increase (decrease) in cash and cash equivalents	(80,690,724)	1,367,719,150	(1,412,541,910)
Cash and cash equivalents at beginning of year	1,181,180,928	1,100,490,204	2,468,209,354
Cash and cash equivalents at end of year	1,100,490,204	2,468,209,354	1,055,667,444

3.5 Financial Ratios

	Consolidated Financial Statements		
	2020	2021	2022
Liquidity			
Current ratio (times)	0.58	1.47	0.83
Quick ratio (times)	0.38	1.38	0.71
Profitability			
EBITDA margin (%)	13.86	69.28	71.97
Gross profit margin (%)	46.03	75.73	77.26
Operating margin (%)	37.03	68.99	71.60
Net profit margin (%)	(34.63)	50.77	53.03
Return on equity (ROE) (Average) (%)	(11.91)	36.53	31.47
Financial Policy			
Debt service coverage ratio (times)	0.21	4.34	5.67
Total debts to total equity (times)	1.11	0.64	0.48
Interest-bearing debt to equity ratio (times)	0.99	0.57	0.41
Dividend per shares (baht/share)	-	1.75	1.75*
Dividend payout ratio (%)	-	61	56*
Efficiency			
Return on asset (ROA) (Average) (%)	(5.56)	19.92	20.28
Return On Fixed Assets (%)	(6.59)	22.71	22.92

* 2022 final dividend is subjected to shareholders approval.



LEGAL DISPUTES

As of 31 December 2022, apart from the Chayanee Naree case as explained below, there are no material Legal Disputes which the Company and/or its Subsidiaries are involved in.

Please see the following details of the Chayanee Naree case:

- On 5 August 2021, Precious Visions Pte. Ltd. which is a subsidiary of the Company and the owner of M.V. Chayanee Naree (the “Vessel”) signed a voyage charter contract to load 46,000 metric tons of bulk sugar from Santos, Brazil for discharge in Lagos, Nigeria.
- On 18 September 2021, drugs were found inside one of the cargo holds of the Vessel while she was at the loading port in Santos, Brazil. The Brazilian authorities conducted a thorough investigation at the time after which they were satisfied that none of our crew members were involved in or assisted in the smuggling of drugs. The Brazilian authorities permitted the Vessel to sail out of Brazil on 19 September 2021 without pressing any charges on any crew members, and/or the ship, or the owning company.
- Upon arriving at the discharge berth in Lagos on 9 October 2021, the Nigerian authorities conducted an extensive search of the Vessel; however, no suspicious objects were uncovered. The Vessel then commenced discharge of her cargo on the same day (9 October 2021).
- On 13 October 2021, drugs were found in a hold of the Vessel.
- On 29 October 2021, discharge was completed, and the National Drug Law Enforcement Agency (NDLEA) obtained an ex-parte order from a Nigerian court for an interim attachment of the Vessel and a remand of the 22 crew members for 14 days. On the same day, we received a claim of about USD 3.9 million from the cargo receivers. We are working with our lawyers to defend this claim.
- On 8 December 2021, the NDLEA filed a charge in the Federal High Court of Nigeria against the Vessel and 3 crew members (and 9 unrelated persons who are not working for the Company) for alleged unlawful transport of drugs. On 31 January 2022, the NDLEA filed an amended charge-sheet to include another 7 crew members of the Vessel, making a total of 10 crew members who have been charged.
- The insurers of the Company issued two Letters of Undertaking (“LOU”) to the NDLEA, as security for the release of the Vessel and the 12 crew members that have not been charged.
- The ten crew members who have been charged, are required to remain in Nigeria until legal proceedings are completed.
- After obtaining departure clearances for the Vessel from the Nigerian Navy and other government agencies, the Vessel, along with her crew, sailed out of Lagos port in Nigeria on 17 May 2022.
- The trial against the Vessel and the 10 crew members commenced in the Federal High Court of Nigeria in July 2022. The subsequent hearing was occurred in November 2022. The next hearings are scheduled for early 2023.
- The Company is working closely with its insurance company and legal counsel to ensure that the case is fully resolved as early as possible.



Part 2

CORPORATE

GOVERNANCE





CORPORATE GOVERNANCE POLICY

Definition

Corporate Governance is a set of structures and processes of relationships between a company's management, its board, and its shareholders to enhance its competitiveness towards business prosperity and long-term shareholder value taking into consideration the interests of other stakeholders.

The above definition is as recommended by the SEC and the Company has endeavored to follow the same completely in letter and spirit.

Corporate Governance Policy

Precious Shipping Public Company Limited ("the Company") recognizes that good corporate governance is important and necessary for sustainable growth in business and long term shareholder value, and accordingly, the Board of Directors has reinforced corporate governance by including policies and directions on operating the business, set up adequate internal controls and internal audit systems and monitoring management to perform effectively under the policy to ensure long term interests of shareholders under applicable laws with full transparency and correct business ethics. The Board has set up a corporate governance policy manual, a business ethics and code of conduct manual and an anti-corruption policy manual which have been circulated to all the Company's employees in a hard copy form and via email and disclosed on the Company's website under the subject of "**Corporate Governance**". The Company reviews and updates these manuals regularly in order to ensure that these manuals meet the present requirements and are suitable for the current circumstances.

The Company's Corporate Governance Policy Manual consists of:

- Right and equitable treatment of shareholders and various groups of stakeholders
- Structure, rules, duties, responsibilities, and independence of the Board of Directors
- Information disclosure and transparency
- Supervision of subsidiaries and associated companies
- Controlling system and risk management
- Business ethics

The Board of Directors regularly monitors its corporate governance compliance, through the Audit and Corporate Governance Committee, which annually reviews and provides its opinions to the Board of Directors regarding the implementation of the CG Code within the Company, in order to ensure that good corporate governance is followed within the Company for the sustainability of the Company. The Company has adopted the terms of the CG Code which are suitable for its business.

1. Overview of Corporate Governance Policy and the relevant Guidelines

1.1 Corporate Governance Policy and guidelines in relation to the Directors

1.1.1 Nomination of Directors and Top Executives

The Nomination Committee has been appointed by the Board of Directors in order to set up a mechanism to assist the Board to independently propose criteria and set guidelines for the nomination of new Directors and recruitment and selection of top executives, and thereafter propose to the Board of Directors who could then consider the proposal and decide to accept or reject the same or amend it for further approval by shareholders if required (for the appointment of Directors).

Board Diversity Policy

The Nomination Committee shall review the structure and composition of the Board of Directors, and search for candidates with qualifications appropriate for the company's situation and needs.

The Nomination Committee evaluates the range of skills, experience, expertise and diversity of the existing Directors, and identifies other appropriate qualifications giving consideration in line with the Company's strategic direction, and gaps that need to be filled. Consideration is given to the balance of Independent Directors on the Board and the best practice recommendations as set out in the SET corporate governance principles.

Policy on Succession Plan

The Board of Directors shall ensure a systematic nomination for the proper candidate to replace a Director or top executive position suitably in line with the succession planning policy. The Nomination Committee is appointed to propose the appointments of new Directors and key executives (Managing Directors and Executive Directors) to the Board by considering the proper candidate both from internal and external candidates. The Nominating Committee is responsible for considering candidates' skills, experience, and specific qualifications for the best interest of the Company.

Criteria to nominate/appoint Directors

The Company recognises that diversity at the Board level is an essential element in supporting the attainment of its strategic objectives and its sustainable development. All Board appointments are based on merit. Candidates are considered against appropriate criteria which are as follows:

- Consideration is based on a range of diversity perspectives, including gender, age and educational background, skills, knowledge, professional experience, and devotion of potential candidates expected to enhance the Board.
- Consideration of the qualities of leadership, vision, ethics, and honesty to uphold the highest principles of good corporate governance.
- The candidate must not be a person blacklisted by any organization (including the SEC) or convicted of any crime.
- The candidate as an independent director must be qualified in accordance with the independent director's qualification.
- Consider other qualifications as may be advisable.

Criteria to nominate/appoint Top Executives including the Managing Director

The Nomination Committee considers the following criteria below when determining whether to nominate/appoint a top executive, including the Managing Director.

- Skills, knowledge, relevant qualification, and professional experience in business operations.
- Leadership potential, integrity, and vision.
- Specific requirements for the position of Managing Director: substantial experience in the related industries and international trade as well as industries knowledge.
- No blacklisting by any organization (including the SEC) or criminal conviction.
- After review, the Nomination Committee submits its recommendations to the Board of Directors for consideration and approval.

Procedure for nominating/appointing Top Executives including the Managing Director

The Company follows the following procedure when selecting and appointing new top executives including the managing director:

- The Nomination Committee identifies the qualifications, skills, knowledge, experience, and expertise of candidates for any top executive position that the Company needs which should be in line with the Company's strategic direction.
- The Nomination Committee screens the profiles of the applicants, interviews them, and shortlists the preferred candidates who fit the criteria. The Nomination Committee then proposes such suitable candidate for the Board's consideration by way of submitting its recommendations to the Board.
- The Board may interview such candidate as the Board deems fit before the Board concludes its decision.

1.1.2 Directors and Management Remuneration

Directors' Remuneration

The Board of Directors has designated the Remuneration Committee to recommend guidelines for setting Directors and top executive remuneration in accordance with international standards and comparable with other equivalent listed companies including companies in the related industries. The remuneration given shall be appropriate with the position, duty, responsibility and performance of each director and key executive. Directors' remuneration will be subject to approval at shareholder meeting.

Remuneration Criteria

- The Directors' remuneration must be agreed by the Board of Directors and recommended to the shareholders for their approval.
- The Directors' remuneration shall be a fixed amount per annum.
- Depending on the quantity and scope of the subcommittee's roles and responsibilities, only a member who is not an executive director of any subcommittee may receive additional compensation, subject to the Shareholders' approval.
- The remuneration criterion shall include consideration of financial status and performance of the Company and in accordance with International Standards and comparable with other listed companies in general and should also be comparable with listed companies in the same sector in Thailand and abroad.

Management Remuneration

The management remuneration is fixed in accordance with the principles and policies set by the Board of Directors. The Board of Directors directly and specifically approves the remuneration of the Executive Board and the Director employed in an executive capacity in the Company's subsidiary based on the remuneration in the industry for equivalent positions, financial status/performance of the Company and their respective individual performances.

The remuneration of the top executives included their salary, bonus, and other benefits. In addition, remuneration shall be considered or evaluated by others who supervise the given person and shall not be done by the one who receives the remuneration. The remuneration of management has been disclosed hereinabove under "**Organization Structure**".

1.1.3 Segregation of Positions between the Board of Directors and the Top Executive

The Board of Directors plays an important role in corporate governance for the maximum benefit of the Company and the shareholders. The role of the Chairman is distinct from the role of the Managing Director in that the Chairman is the chief representative of the shareholders whereas the Managing Director is the leader of the managers. Combining the two roles creates an inherent conflict of interest.

To avoid this conflict of interest, the Company ensures that the Chairman of the Board of Directors and the Managing Director are not the same individual. The Chairman of the Board of Directors is an independent director, as defined by the SET and does not have any relationship with the management.

The Chairman of the Board shall not be Chairman or member of the other subcommittees.

The Board of Directors will evaluate the performance of the Managing Director annually, whilst the Managing Director will evaluate the performance of top executives who report to him. Each evaluation will be based on targets relating to the Company's strategic and annual plan, to help appropriately determine the remuneration and other fringe benefits.

The roles & responsibilities of the Chairman of the Board of Directors and the Managing Directors are provided under "**Organization Structure**" of the annual report.

1.1.4 Other Committees

The Board of Directors appointed several committees as part of the good corporate governance policy of the Company viz. the Audit and Corporate Governance Committee, Executive Board of Directors, Sustainability and Risk Management Committee, Remuneration Committee, and Nomination Committee.

The Audit and Corporate Governance Committee and Nomination Committee comprises entirely of independent directors.

The details of these committees such as names and number of members, qualifications, duties, and responsibilities are disclosed on the website of the Company and under the subject "**Organization Structure**" of this annual report.

1.1.5 Board's and Sub-Committees' Self-Assessment

The Board and its sub-committees shall perform an annual self-assessment to be used as a framework for reviewing their performance. The result will be reported to the Board by the company secretary and disclosed in corporate governance report section in the annual report.

1.1.6 Director and Management Development

The Board of Directors continues to enhance its value by participating in activities, courses, and events which add to their knowledge base in the continually changing business environment to ensure that they are updated and possess full knowledge.

Director's orientation

If someone is newly appointed on the Board of Directors by the shareholders, the Company secretary informs and provides relevant documents such as Director's handbook, the Company's corporate documents, corporate governance policy manual, business ethics and code of conduct manual, anti-corruption policy, laws, regulations and practices which are related to the trading of Company's shares.

1.2 Corporate Governance Policy and Guidelines in relation to the Shareholders' Rights and Equitable Treatment of Shareholders

1.2.1 Rights of Shareholders

The Company is responsible to the shareholders in terms of information disclosure, accounting methods, internal information usage, and conflict of interests. The Board of Directors and management are expected to be honest and any decision must be based on honesty and fairness to both major and minor shareholders, and for the collective benefit of all. Some of the policies and procedures followed to protect the rights of the Company's shareholders are as follows:

Appointment of Board members

The Company regularly updates the information pertaining to candidates'/existing Directors', so that all stakeholders can make an informed decision in respect of their appointment. This information is in the Company's annual report and is also presented to the Company's shareholders in the annual general meeting of shareholders ("AGM"). The information is provided so that the Company's shareholders can get correct and complete information, which is relevant and required for their appointment, and includes the following:

- Candidate's/Director's profile: Name, position, age, education, relevant knowledge, occupation, working experience and illegal acts (if any).
- Candidate's/Director's positions in any materially connected business.
- Number of shares held by the Candidate/Director in the Company.
- Nomination procedures (in case of the Directors who retire by rotation).
- Directors' previous performance as Director in terms of meeting attendance.

Consideration of the policy on Directors' remuneration

The Company follows the policy of obtaining the approval of the policy on Directors' remuneration from the shareholders in the AGM and has also disclosed guidelines/procedures for determining Directors' remuneration in the '**Corporate Governance Policy**' of this report.

Appointment of auditors

The Company follows the policy of obtaining the approval of appointment of auditors from the shareholders in the AGM and has improved the information disclosure for the correctness and completeness of the information required for the decision on the appointment of auditors. The information provided in the AGM includes details as follows:

- Auditor's firm
- Auditor's name
- Auditor's remuneration for approval including separate disclosure for audit and non-audit related remuneration
- Auditor's remuneration for the previous year
- Relationship with the Company such as being the Company's advisor
- Number of years as the Company's auditor (in case of reappointment of the present auditor)
- Auditor's performance
- The reasons for changing the auditor (in case the Company appoints a new auditor)

Consideration of the dividend policy

The Company obtained the approval of its current dividend policy in the shareholders' meeting in the year 2004 and will continue to obtain such approvals in case of any changes in the future.

Shareholders' Meetings

The Board of Directors approved and resolved that the 2022 annual general meeting of the shareholders be held by electronic means due to the Company's concern over its shareholders' safety and health during the COVID-19 pandemic situation. The Company held the AGM on 4 April 2022 by electronic meeting ("E-AGM"). This E-AGM was held in accordance with relevant laws and regulations concerning electronic meetings such as the Emergency Decree on Electronic Meetings, B.E. 2563 (2020), the Announcement of Ministry of Digital Economy and Society on the Security Standard for the Meeting through Electronic mean B.E. 2563 (2020), and the Security Standard of the Monitoring System of the Meeting.

The Company has adhered to the recommendations of SET/SEC for holding a shareholders' meeting, which is as follows:

Before the date of 2022 annual general meeting of shareholders (AGM)

- The Company provided an opportunity to the shareholders to propose agenda items for the AGM and nominate suitable candidates to be members of the Board of Directors of the Company. This practice will be continued for AGM 2023 as well. Shareholders with a combined holding

of at least 2,000,000 shares can propose agenda items or nominate qualified Directors. In 2022, the Company invited shareholders to propose agenda items and to nominate a candidate to be elected as Director through the Company's website. The invitation period was from 1 October 2021 to 31 December 2021. This exceeds the privileges required to be provided to shareholders by law. The Company set up communication channels through its website and made an announcement through the SET, based on which, a shareholder or a group of shareholders could propose an agenda item and/or nominate candidates to be Directors for consideration in the AGM.

- For AGM 2022, the Company disclosed the AGM schedule and the AGM Agenda through the SET on 14 February 2022 (49 days before the AGM date) to enable shareholders to plan their schedule for the meeting.
- Providing an opportunity to the shareholders to post questions in advance, to be addressed at the AGM 2022. This practice will be continued for AGM 2023 as well.
- Providing a complete and correct notice with full information to call each shareholders' meeting is the normal policy of the Company. The notice includes the objective and reasons for each agenda item apart from the Board of Directors' comments/opinion, which have always been included. The Company does not amend the agenda of the shareholders' meeting without giving notice to shareholders.
- For AGM 2022, the Company disclosed the notice of shareholders' AGM on the Company's website on 1 March 2022 (34 days before the AGM date). The Company also assigned the Thailand Securities Depository Co., Ltd. which is the Company's registrar to send the AGM notice to shareholders on 9 March 2022 (26 days in advance of the AGM).
- The Company publishes the notice of shareholders' meeting in newspapers for three consecutive days and at least 14 days prior to shareholders' meeting.
- Facilitating proxy voting: clearly specifying the documents required to give proxy and by sending out the notice to the extent possible, to the Company's shareholders at least 4 weeks prior to the meeting date. For shareholders who are unable to attend each meeting, the Company designated the Chairman and/or an Independent Director to attend and to vote on their behalf in each meeting. Full details for this purpose are provided in the Notice of shareholders' meetings. Moreover, the notice, including proxy (Form B.), was disclosed on the Company's website to facilitate its download by shareholders.
- The Company provided detailed guidelines for attending the E-AGM which was held on 4 April 2022.
- The Company sent an E-AGM registration form together with a list of required documents for shareholders who wish to attend the E-AGM by themselves and for shareholders who wish to appoint a proxy to attend the E-AGM.
- After the Company received the requisite documents, the Company sent an email containing the username and password along with the weblink to attend the E-AGM.

On the date of the E-AGM

- On the meeting date, the Company allowed shareholders to access the E-AGM system one hour before the meeting.
- One share would have one vote. For each agenda item, the shareholders had the option to vote "Approve", "Disapprove" or "Abstain". For the agenda item in relation to the nomination of Directors, the voting options were provided for the selection of each Director in order to increase transparency for the voting process.
- The Company ensured that the E-AGM system which had been selected for the shareholders'

meeting was secure, reliable and user-friendly. The technical team was also on standby in case any shareholders face any technical problems with the E-AGM system before or during the meeting.

- A question function was provided on the E-AGM system, so that the shareholders can send their questions/comments to the Directors and/or the Company secretary during the meeting, and the questions were answered at the meeting.
- The shareholders were able to log in to the E-AGM system for registration even after the meeting started in order to ensure the participation of all shareholders who attended the meeting.
- The Company appointed independent legal counselors to be inspectors of the vote-counting process.
- To enable shareholders to make decisions, the Company provided adequate information in the Notice to the meeting on the agenda items.
- All Board members including the Chairman of the Board of Directors, the Chairman of the Remuneration Committee, the Chairman of the Audit and Corporate Governance Committee, the Chairman of the Nomination Committee, the Chairman of the Sustainability and Risk Management Committee and all independent directors attended the AGM of 2022. The auditors also attended the AGM to answer any questions raised by shareholders in respect of the accounts or the conduct of the audit.
- At every shareholder meeting, the company secretary explains the voting procedures to shareholders at the start of the meeting.
- Equal opportunity is provided to all shareholders to examine the Company's operations, to ask questions and express their opinions and advice. It is ensured that all items and resolutions including questions and answers are properly recorded in the minutes of the meeting.
- At the meeting, the Company provides simultaneously English and Thai translation of the questions, replies and comments for the benefit of all attendees.
- The Company arranges a video recording of the entire meeting and posts this on the Company website.

After the date of AGM

- The Company prepares comprehensive minutes of shareholders' meeting, which include the names of Board members' who attended the meeting. The minutes also include a correct and complete record of questions/answers, voting method, vote counting procedure and voting results. Thereafter, the minutes of shareholders' meeting was sent to the SET and disclosed on the website of the Company under the subject of "**Investor Relations**" within 14 days after the meeting. A video recording of the proceedings is also provided on the Company website.

1.2.2 Equitable Treatment of Shareholders:

The Company ensures the equitable treatment of all shareholders, regardless of whether they are minor or major shareholders, Thai or foreign shareholders, retail or institutional shareholders. Also, all shareholders are treated on a fair and equal basis in terms of calling and holding shareholders meetings and for protecting the rights of shareholders for other matters by taking the following steps:

- Ascertaining that the date, time, venue of the meeting is convenient to attend.
- Ensuring a reliable electronic meeting platform (in case of an EGM).
- Offering one-share-one vote.
- The registration process commences at least 1-2 hours (as the case may be) in advance to keep adequate time for completion of registration.

- Providing ballot papers/electronic voting system for each agenda item.
- Arranging barcode system/electronic system for registration and vote counting for shareholders' convenience and accuracy of the vote-count.
- Providing an opportunity to shareholders to propose agenda items and to nominate candidates to be Director in advance for the annual general meeting of shareholders (AGM) through various channels including the Company's website.
- Providing an opportunity for shareholders to elect Directors by voting on the given ballot papers/electronic voting system for each of the Directors separately.
- Not adding any new agenda item without notice to shareholders in advance.
- The Company provides full opportunity for shareholders to participate in the meetings and encourages the shareholders to ask relevant questions which are answered by top executives and/or related persons.
- The Company has always followed practices and policies for the protection of shareholders rights and has always complied with all laws pertaining to the protection of the rights of shareholders, including obtaining shareholders' approval for any major event and in case of any serious situation that affects the Company's operations and provided correct and complete information required for their decision. Some examples of this are i) the acquisition of 15 ships during the year 2004, ii) the signing of contracts for 12 new buildings during the year 2007 and 3 new buildings during the year 2008, and iii) the signing of contracts for 12 new buildings during the year 2014. In all instances, the Company also appointed an independent financial advisor to advise the shareholders.
- The Company follows the policy of regularly reviewing the outstanding unpaid dividends and tries to contact all the shareholders who may have, for some reason, not received their dividends. Thereafter, the Company helps shareholders in terms of reminding and advising them on the required procedures to collect the dividends.
- Directors disclosing their interests and those of their related parties to the Board.
- Directors reporting their ownership of Company's shares and warrants to the Board regularly.
- The Board of Directors has established a system to prohibit a Director/management, who has a conflict of interest on a particular issue, from participating in the decision-making process related to that issue. Normally a Director/management, who has a conflict of interest on an issue, will leave from the meeting and join back once the issue has been discussed and a decision on the same is made.
- Providing detailed explanation of related-party transactions characterizing names, relationship, policy and value of each transaction as explained under the "**Connected Transactions**" section of this annual report. No non-compliance cases involving related-party transactions have been detected.
- Following an appropriate policy and laying down procedures for monitoring the use of insider information as explained under the "**Insider Trading Controls**" section of this annual report. No cases of insider trading involving the Directors and/or the Management have been detected.

2. Business Ethics

The Company has set up a code of ethics for Directors, management, and employees as a guideline to carry out their respective work for the Company in a transparent, honest, faithful, and justifiable manner. It is also disclosed on the Company's website.

The following policies and practices are included in the Company's business ethics and code of conduct manual

- Policy on Compliance with the Law and Relevant Rules and Regulations
- Policy on Conflict of Interests
- Policy on Confidentiality of Information
- Policy on Safeguarding Company Property
- Policy on Information Technology Security
- Cyber Security Management
- Ethics for Intellectual Properties Rights
- Policy on Preventing Corruption and Offering a Bribe
- Policy on Giving and Accepting Gifts and excessive or undue Hospitality
- Tax Policy
- Anti-Money Laundering and Counter Terrorism Financing (AML/CTF)
- Antitrust Policy
- Procurement
- Transactions with Government
- Policy on Safety, Occupational Health and Environment
- Diversity and Inclusion Policy
- Whistleblowing Policy
- Policy and Practices toward Stakeholders

The business ethics and code of conduct manual was distributed to all directors, management, and employees (100%) and posted on the Company's website.

The Board regularly reviews and updates the business ethics and code of conduct manual to ensure that it meets current requirements and is appropriate for the current circumstances.

All management and employees are required to attend an annual training session covering the topics of business ethics and code of conduct, in order to maintain high operating standards within the organization. The training and attendance data for management and employees on business ethics topics are shown in the following table:

Topics	Attendance of management and employee (%)	Training hours/person
Anti-Corruption and Business Ethics Manual	100	3
Gender Equity	100	2
Information Security Awareness	100	2

The Board of Directors monitors compliance with the business ethics and code of conduct manual.

In 2022, there were no significant violations in respect of the Company's business ethics and code of conduct policies. Further, there were zero whistleblowing incidents.

Guideline and enforcement of the Corporate Governance Policy and Business Ethics and Code of Conduct

The Board of Directors defines the duties and responsibilities for the Directors, management, and employees to acknowledge and comply with the policies and terms indicated in the Company's corporate governance policy and business ethics and code of conduct. Moreover, the Company put in place a whistleblowing policy and the internal audit processes as mechanisms to monitor compliance to assure that all operations abide by such policy and principles. If the Directors, management, and employees violate these principles, they will face strict disciplinary punishment.

3. Major Developments in Corporate Governance Policy, Guidelines, and Systems

3.1 Major Developments on Corporate Governance Policy, Guidelines and Systems in 2022

The Board of Directors regularly reviews and updates the Company's corporate governance policy to ensure that it reflects the latest best practices and standards. During 2022 - early 2023, the following significant activities related to the review of its corporate governance policy, guidelines, and systems were carried out by the Board, as detailed below:

- Reviewed the Company's corporate governance policy which covers the duties and obligations of the Board of Directors.
- Reviewed the board diversity policy, the board skill matrix, and the succession plan policy.
- Reviewed the business ethics and code of conduct manual, the anti-corruption policy, the sustainability policy, and the risk management policy.
- Amended the name of the Risk Management Committee to "Sustainability and Risk Management Committee" reflecting the broadened scope of the committee, which now also included the subject of sustainability.
- Adopted the "Human Rights Policy".

3.2 Implementation of the CG Code issued by the SEC

In the Board of Directors' meeting held on 11 November 2022, the Board reviewed the appropriate principles and practices of the SEC's corporate governance code for applying to the Company, and also conducted a corporate governance self-assessment through a questionnaire following the SET and IOD guidelines. The scores of corporate governance self-assessment fall in the level of "Very Good". The Board of Directors intends to use this result to further improve its corporate governance. The Company intends for the corporate governance self-assessment to be done every year in order to comply with good corporate governance practices and accordingly, this exercise will be conducted again in the year 2023.

The following principles below from the Corporate Governance Code 2017 published by the SEC are the principles which the Company has not yet adopted within the year 2022:

Principle	Opinion from the Board of Directors
<ul style="list-style-type: none"> • The Board should establish the policy that the tenure of an independent director should not exceed a cumulative term of nine years from the first day of joining. Upon completing nine years, an independent director may continue to serve on the board, subject to the board's rigorous review of his/her continued independence. 	<p>The Board is of the view that the independence of the independent directors is well maintained, despite the fact that some of them have been on the Board for an aggregate period of more than nine years. Additionally, the Board also strives to find a new independent director who will be put forth for the shareholders' consideration. The shareholders appointed the most recent independent director in 2020. When deciding what to put up for approval at the annual meeting of shareholders, the Board takes a number of issues into account, including the independence of any independent directors who are retiring by rotation.</p>
<ul style="list-style-type: none"> • The Company should establish a long-term incentive and remuneration policy for its top executives and Directors. 	<p>The Company provides adequate incentives and remuneration to attract and retain top executives and Directors. However, the Company may consider providing additional long-term incentives and structure a plan based on advice from an external expert in the future.</p>

3.3 Awards and Recognitions for Good Corporate Governance

The Company has won (or was nominated for) the following awards including awards for good corporate governance:



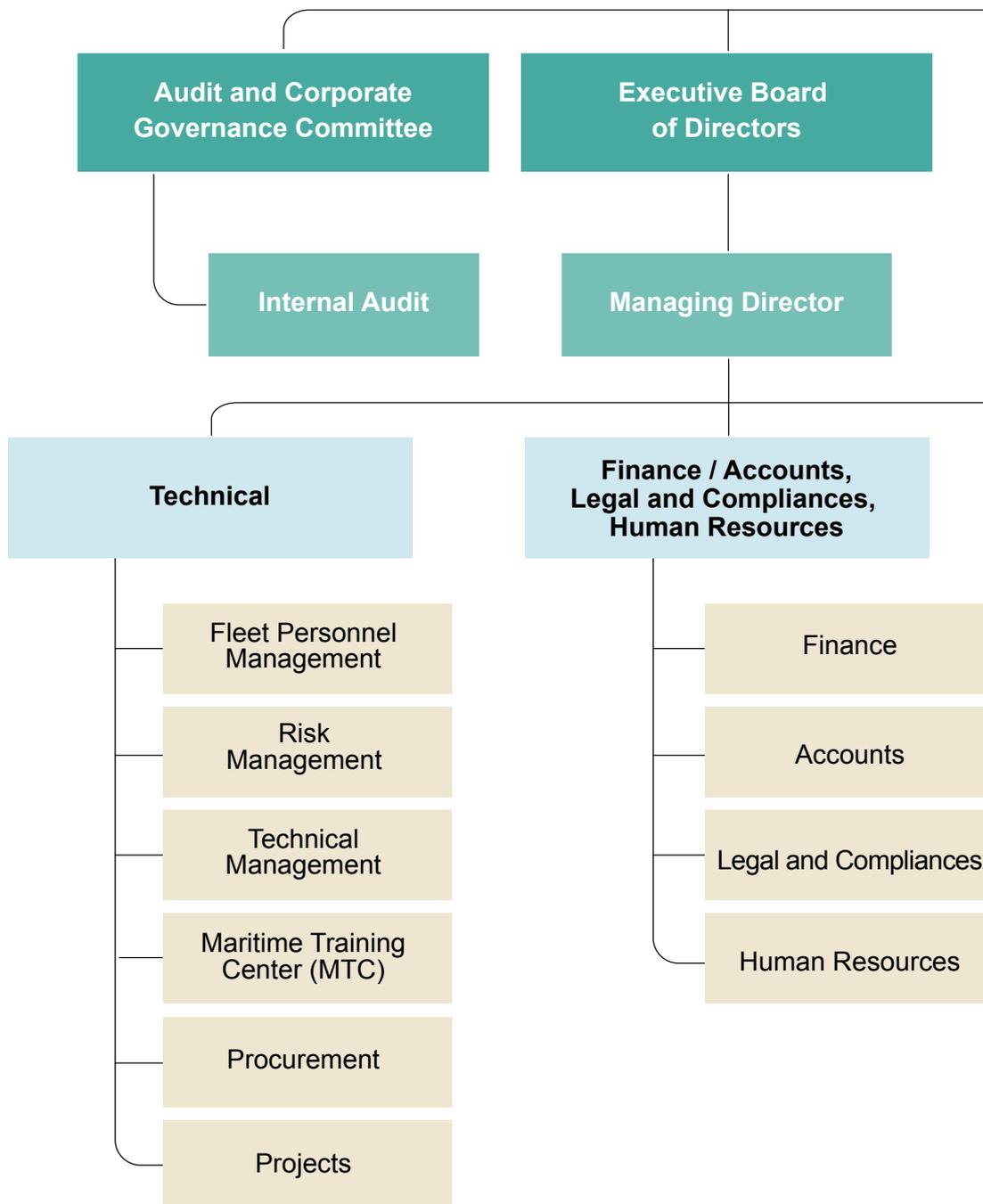
- Adjudged as a Company with “Outstanding Investor Relations” for companies with a market capitalization between Baht 10,000 million to Baht 30,000 million for the year 2021 and 2022, respectively.
- Obtained the “ASEAN Asset Class PLCs” award, an accolade granted to companies with an ASEAN CG score of at least 97.5 in the 2021 ASEAN Corporate Governance Scorecard. The ASEAN Corporate Governance Scorecard has been developed by the ASEAN Capital Markets Forum (ACMF) in partnership with the Asian Development Bank (ADB) to raise corporate governance standards and practices of ASEAN publicly listed companies.
- Classified as a company with “Excellent” Corporate Governance for thirteen consecutive years from 2010 to 2022, by Thailand’s National CG Committee.
- Received a score of 100 percent in respect of the conduct at the Annual General Meetings for 9 years; 2012, 2013, 2014, 2015, 2018, 2019, 2020, 2021 and 2022, by Thai Investors Association.
- Only Shipping Company in the ASEAN region to receive the Asset Class Award, in recognition of our having attained a score of above 97.5 in the 2019 ASEAN Corporate Governance Scorecard. The ASEAN Corporate Governance Scorecard has been developed by the ASEAN Capital Markets Forum (ACMF) in partnership with the Asian Development Bank (ADB) Development Bank to raise corporate governance standards and practices of ASEAN publicly listed companies.
- Nominated as one of the 10 finalists for the Board of the Year Award 2018 instituted by the Thai Institute of Directors and the Stock Exchange of Thailand, in the category for companies with a market capitalization below Baht 30,000 million.
- Nominated as a finalist for the “Ship Owner/Operator of the year” award at the Seatrade Maritime Awards Asia in 2010, 2012, 2013, 2014, 2017 and 2018.

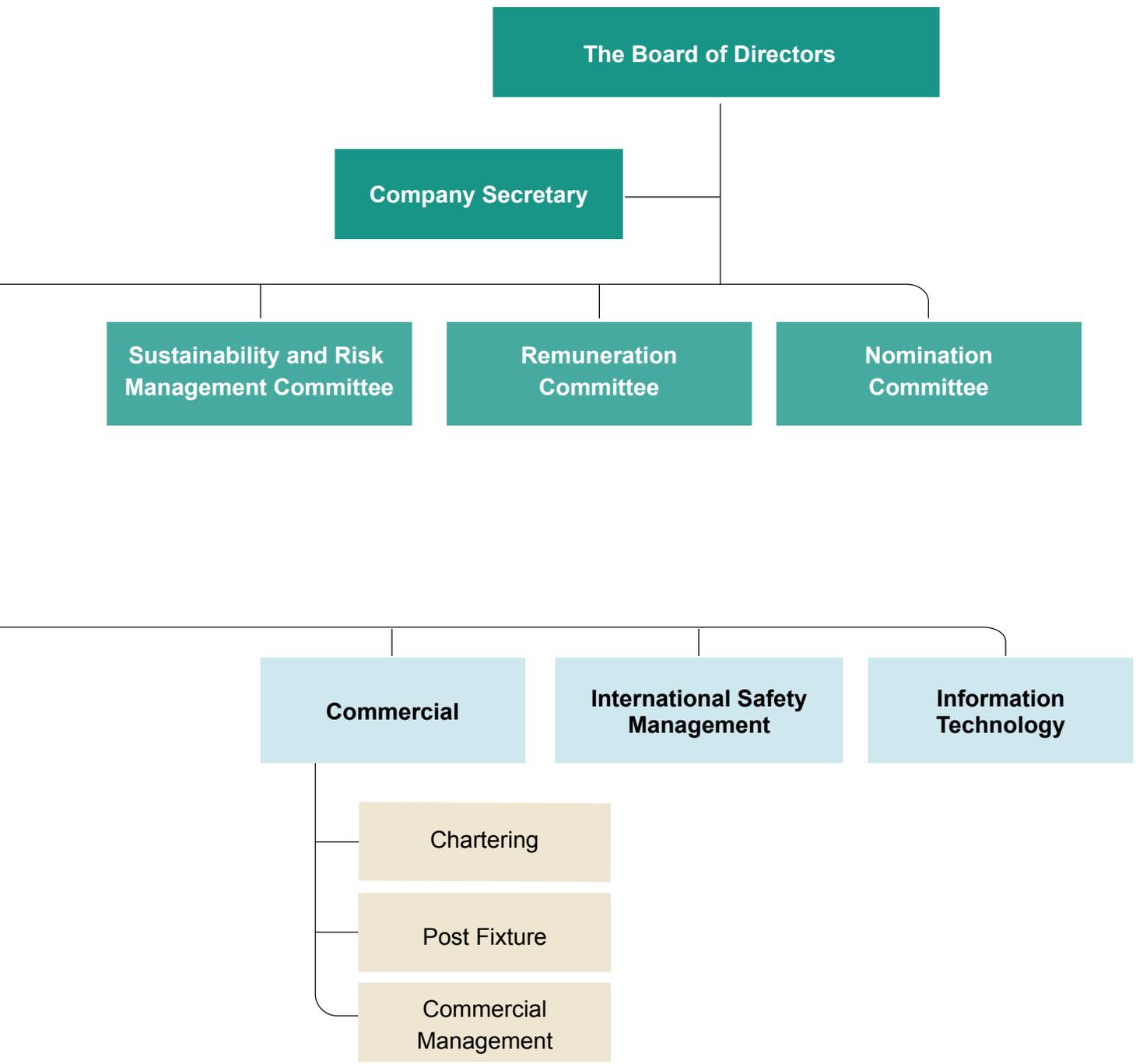
- Nominated as a finalist for “The ClassNK Dry Bulk Operator of the Year” award at the Lloyd’s List Asia Pacific Awards 2014, 2015, 2016, 2017 and 2018.
- The Company’s wholly owned subsidiary, Great Circle Shipping Agency Limited, was nominated as a finalist for the “Ship Manager of the year” award at the Seatrade Maritime Awards Asia in 2014, 2015, 2017, and 2018.
- Great Circle Shipping Agency Limited was nominated as a finalist for “Ship Manager of the Year” award at the Lloyd’s List Asia Pacific Awards in 2012, 2014, 2017 and 2018.
- Nominated as a finalist for “The Bulk Ship Operator of the Year Award” at the IBJ (International Bulk Journal) Awards in 2012, 2013, 2014, 2016, 2017 and 2018.
- Adjudged 3rd placed winner in the “Best in Sector: Industrials” category for Investor Relations Awards at the IR Magazine Awards and Conference - South East Asia 2017.
- Nominated as a finalist for the “Deal of the Year” award at the 10th Seatrade Maritime Awards Asia 2017 for the Company’s THB 3.59 billion Unsubordinated Unsecured Bonds issued in Thailand in 2016.
- The Company’s cement carrier, M.V. APINYA NAREE, was nominated as a finalist for the “Bulk Ship of the Year” award at the IBJ Awards 2017.
- Adjudged as a Company with “Outstanding Investor Relations” for Companies with a market capitalization between Baht 3,000 million to Baht 9,999 million at the SET Awards 2016.
- Winner of “the Public Debt Deal of the Year” award for 2016 from Marine Money, New York, for the Company’s THB 3.59 billion Unsubordinated Unsecured Bonds issued in Thailand in 2016.
- Winner of the “ASIA BEST EMPLOYER BRAND AWARD” at the Asia Best Employer Brand Awards, 7th edition, 2016.



ORGANIZATION STRUCTURE

ORGANIZATION CHART





The Company has six (6) Boards / Committees

1. The Board of Directors
2. The Executive Board of Directors
3. The Audit and Corporate Governance Committee
4. The Remuneration Committee
5. The Nomination Committee
6. The Sustainability and Risk Management Committee

ELECTION OF THE BOARD OF DIRECTORS

The election of Directors is conducted by the meeting of shareholders. Each shareholder has one vote per share and each shareholder exercises all votes applicable in appointing one or more persons to be Directors. The candidates are ranked in descending order from the highest number of votes to the lowest and are appointed as Directors in that order until the Director positions are filled. Where the votes for candidates are tied and which would result in a number of directors that would exceed what is stipulated, the Chairman has the casting vote.

1. THE BOARD OF DIRECTORS

1.1 Board Composition

The number of members on the Board of Directors is commensurate with the size and complexity of the Company's business. As of 31 December 2022, there are eleven (11) Directors on the Board of Directors of the Company which comprises three (3) Directors who hold executive roles and are full-time employees of the Company and eight (8) Non-Executive Directors, four of whom are Independent (36% of Board of Directors).

The Board is of the view that gender is an important aspect of diversity and will strive to ensure that female candidates are included for shareholders' consideration. Currently, the Board comprises seven (7) male Directors and four (4) female Directors (36% of Board of Directors). Two of the female Directors are Independent Directors.

To ensure that the Board members can devote their time to performing their duties for the greatest benefit of the Company, Directors are not permitted to hold board positions in more than five (5) listed companies (including the Company).

The Board Skills Matrix

The following matrix was created to assist Board members to recognise the key skills and experience that are aligned with the Company's business strategy. As part of coordinated succession planning, these skills and experience are prioritized when identifying potential future Director candidates.

No.	Directors	Marine Industry	Business Strategy	Accounting Knowledge	Financial/Investment	Risk and Compliance Oversight	Corporate Governance	Legal and Compliance	Information technology and Innovation	People and Culture Management	Sustainability and Investor Engagement	Fuels of the future and Decarbonization	Geo-economics and International business trends
1	Mr. Chaipatr Srivisarvacha	x	x	x	x	x	x	x		x	x		x
2	Mr. Kamtorn Sila-On	x	x	x	x	x	x	x	x		x		x
3	Ms. Pensri Suteerasarn	x	x	x	x	x	x	x	x	x	x		x
4	Prof. Dr. Pavida Pananond	x	x	x		x	x		x	x	x		x

No.	Directors	Marine Industry	Business Strategy	Accounting Knowledge	Financial/Investment	Risk and Compliance Oversight	Corporate Governance	Legal and Compliance	Information technology and Innovation	People and Culture Management	Sustainability and Investor Engagement	Fuels of the future and Decarbonization	Geo-economics and International business trends
5	Mr. Kirit Shah	x	x	x	x	x	x	x	x	x	x		x
6	Mr. Khushroo Kali Wadia	x	x	x	x	x	x	x	x	x	x		x
7	Ms. Nishita Shah		x				x			x			x
8	Mr. Ishaan Shah	x	x	x	x	x	x	x	x	x	x		x
9	Mr. Khalid Moinuddin Hashim	x	x	x	x	x	x	x	x	x	x	x	x
10	Mr. Gautam Khurana	x	x	x	x	x	x	x	x	x	x	x	x
11	Ms. Sirasa Supawasin	x				x	x	x		x	x		x
Summary Directors in each skill		10	10	9	8	10	11	9	8	10	10	2	11

1.2 The Board of Directors

Members of the Board of Directors as of 31 December 2022 are as follows:

Director's name		Position	The last re-appointment date
1	Mr. Chaipatr Srivisarvacha	The Chairman of the Board of Directors Independent Director	19 April 2021
2	Mr. Kamtorn Sila-On	The Chairman of the Audit and Corporate Governance Committee The Chairman of the Sustainability and Risk Management Committee The Chairman of the Remuneration Committee Independent Director	4 April 2022
3	Ms. Pensri Suteerasarn	The Chairperson of the Nomination Committee Independent Director	4 April 2022
4	Professor Dr. Pavida Pananond	Independent Director	19 April 2021
5	Mr. Kirit Shah	Director	19 April 2021
6	Ms. Nishita Shah	Director	19 April 2021
7	Mr. Ishaan Shah	Director	4 April 2022
8	Mr. Khushroo Kali Wadia	Director	8 July 2020
9	Mr. Khalid Moinuddin Hashim	Managing Director Executive Director	8 July 2020
10	Mr. Gautam Khurana	Executive Director	8 July 2020
11	Ms. Sirasa Supawasin	Executive Director	8 July 2020

The Chairman of the Board of Directors and the Managing Director

The Chairman of the Board of Directors is an Independent Director and has no relationship with the management, as defined by the SET. The Chairman is not the same person as the Managing Director of the Company nor is he related in any way to the Managing Director of the Company. These roles are deliberately disaggregated so that there is a clear differentiation between the duties of the policy maker and the policy manager.

The Chairman of the Board is the leader of the Board and performs the role of Chairman for both Board and shareholders' meetings. The Chairman's role includes promoting corporate governance and compliance and ensuring its effectiveness. He engages directly with the Managing Director to monitor performance and oversees the implementation of the company strategies.

The Managing Director is the head and leader of the Company's executives and is responsible to the Board for managing the Company in order to achieve all planned objectives.

The roles and duties of the Chairman of the Board of Directors

- Provides leadership to the Board of Directors;
- Presides over the Board of Directors meetings, Non-Executive Directors meetings and shareholders meetings;
- Oversee and monitor to ensure that the Board of Directors carries out its duties in an efficient and effective manner in order to achieve its objectives and main goal;
- Facilitates open and constructive communication between members of the Board and encourages their contribution to Board discussions;
- Promotes the highest standards of corporate governance, ethics and corporate social responsibilities;
- Consult with the Managing Director and company secretary to arrange the schedule and agendas of the Board of Directors' meetings;
- Ensure that the Company has effective communication with its shareholders and relevant stakeholders.

The roles and duties of the Managing Director

- The day-to-day management of the Company and its business is the responsibility of the Managing Director who is supported by the executive team;
- Develops and recommends the Company's vision, mission, strategy and business plan for the Board's approval;
- Manages the Company in accordance with strategy, business plans and policies approved by the Board of Directors;
- Reports on the Company's operational results to the Board of Directors as well as other work in progress to achieve the Company's objectives;
- Ensures that all Directors are properly informed and that sufficient information is provided to enable the Directors to form appropriate judgments;
- Builds and maintains an effective top executives capable of delivering the Company's strategy and objectives, and identifies and recruits new talent to ensure effective succession to top management positions;
- Ensures communication with shareholders and relevant stakeholders;
- Undertakes any other roles and duties assigned by the Board of Directors.

The duties and responsibilities of the Board of Directors are as follows:

1. The Board of Directors performs its duties in conformity with applicable laws and carries on the business of the Company in accordance with the law, the Company's objectives and the articles of association as well as the resolutions of the shareholders' meetings. The Board of Directors is authorized to carry out the Company's activities as prescribed in the memorandum or those related thereto under the Public Limited Companies Act B.E. 2535. The Board of Directors is responsible to the Company's shareholders. Each Director represents all shareholders and takes part in supervisory and regulatory functions in the Company's operations, in an independent and impartial manner, for the benefit of all shareholders and other stakeholders.
2. The Directors, in their business conduct, are expected to generally act with care to preserve the interest of the Company.

3. According to the corporate governance policy of the Company, the quorum for a Board of Directors meeting is at least two-thirds of the Board size.
4. The Board of Directors or the shareholders at their meeting is entitled to designate the authorized Directors to bind the Company and accordingly, any two (2) of the following with the Company's seal are presently the authorized signatories:
 - 1) Mr. Khalid Moinuddin Hashim
 - 2) Mr. Kirit Shah
 - 3) Mr. Ishaan Shah
 - 4) Mr. Gautam Khurana
5. The Board of Directors is inter alia authorized to sell or mortgage any of the Company's immovable properties, to let any of the Company's immovable properties for a period of more than three (3) years, to make a gift, to compromise, to file complaints to the Court and to submit a dispute to the arbitration.
6. Annually review and approve the vision and mission statement, core values, and business ethics and code of conduct.
7. Review and discuss management's proposed strategies and options and approve major decisions in respect of the Company's business direction and policies. The Board of Directors also reviews and approves the business and performance goals proposed by the management.
8. Monitor the implementation of the Company's strategies including monitoring the Company's performance and progress toward achieving set objectives as well as compliance with the laws, regulations and related policies.
9. Ensure the establishment and communication of the policy and program related to anti-corruption.
10. Ensure the existence of an effective internal control system and appropriate risk management framework.
11. Ensure an effective audit system executed by both internal and external auditors.
12. Approve quarterly and annual financial reports to ensure that the reports are prepared under generally accepted accounting standards.
13. Ensure that the Company has a system in place to communicate effectively with all stakeholders.
14. Define policy and guidelines for risk management and monitor the management to ensure the efficiency of risk management system.
15. Define policy and guidelines for good corporate governance and ensure that the duties and responsibilities of Directors and the management comply with corporate governance principles.
16. Define policy and guidelines to implement corporate social responsibility.

2. SUB-COMMITTEES

The Board has appointed the following five (5) sub-committees. All subcommittee members' terms will be concurrent with their terms on the Company's Board of Directors, by resolution of the Board of Directors in the Board of Directors meeting No.3/2022 held on 4 April 2022.

2.1 THE AUDIT AND CORPORATE GOVERNANCE COMMITTEE

The Audit and Corporate Governance Committee has been appointed by the Board of Directors with the objective of having a mechanism to assist the Board independently in accordance with the regulations and the recommendations in respect of good corporate governance, to give an opinion on

the accuracy of the Company's financial statements and their credibility and transparency, to encourage good corporate governance including coordination with the Board of Directors for risk management and internal control systems in the Company. This is expected to create efficiencies in operations and provide for an independent check on the functioning of the management of the Company including checks on conflict-of-interest issues and connected party transactions, if any.

The Board of Directors has appointed the Audit Committee since 24 August 1998. Thereafter on 3 February 2012, the Board resolved to change the name of the Audit Committee from "Audit Committee" to "Audit and Corporate Governance Committee" to reflect the fact that the role and responsibility of the Audit Committee of the Company also included corporate governance. Additionally, it was to ensure that the Audit and Corporate Governance Committee places due emphasis on compliance of relevant regulations and continues the development of corporate governance of the Company. The current Audit and Corporate Governance Committee members are as follows:

Name	Position	Status
1. Mr. Kamtorn Sila-On*	Chairman of the Audit and Corporate Governance Committee	Independent Director
2. Professor Dr. Pavida Pananond*	Audit and Corporate Governance Committee Member	Independent Director
3. Ms. Pensri Suteerasarn*	Audit and Corporate Governance Committee Member	Independent Director

* Each of the Audit and Corporate Governance Committee members has knowledge and experience in the field of accounting and finance. Details of their experience have been presented in Enclosure 1 "Information of relevant persons in the Organization" of this Annual Report.

The duties and responsibilities of the Audit and Corporate Governance Committee are summarized hereunder:

1. To review the Company's financial reporting process to ensure accuracy with adequate and complete disclosure.
2. To ensure that the Company has an appropriate and efficient internal control system subject to internal audit and to also ensure that there is an efficient internal audit system in place and to ensure the independence of internal audit department, including approval of the selection, promotion, rotation or termination process of the internal audit head.
3. Review risk management systems of the Company and recommend improvements on a regular basis.
4. Review guidelines for the Company's corporate governance and benchmark them with other domestic and international organizations and present its recommendations to the Board of Directors.
5. To review the performance of the Company to ensure compliance with the securities and exchange law, regulations of the Exchange and other laws relating to the business of the Company.
6. To select and nominate for the shareholders' approval or discharge, the external auditor of the Company, including a recommendation on the remuneration paid to the external auditor after considering the independence of the external auditor and to freely discuss significant matters, the Audit and Corporate Governance Committee shall meet privately with the external auditor at least once a year, without the management team being present.
7. To review connected party transactions that may lead to a conflict of interest to comply with all related rules and to ensure the transactions are reasonable and for the full benefit of the Company and to ensure accurate and complete disclosure of the same.

8. To oversee the anti-corruption policy and annually review the Company's anti-corruption procedures to ensure effective compliance with the guidelines of the Collective Action Coalition Against Corruption (CAC).
9. To review the Company's compliance with its whistleblowing policy and procedures for reporting and investigation of misconduct and/or fraud and consider all instances (if any) of misconduct or fraud and the final investigation report.
10. To prepare a report on the monitoring activities of the Audit and Corporate Governance Committee, in accordance with the required details per SET regulations, and disclose it in the annual report. Such report is to be signed by the Chairman of the Audit and Corporate Governance Committee.
11. To perform any other acts as delegated by the Board of Directors and accepted by the Audit and Corporate Governance Committee.

2.2 THE EXECUTIVE BOARD OF DIRECTORS

The following three (3) persons are appointed by the Board of Directors as the Executive Directors on the Executive Board of Directors.

Name	Position
1. Mr. Khalid Moinuddin Hashim	Managing Director
2. Mr. Gautam Khurana	Director (Finance)
3. Mr. Chandrasekhar Sivaraman Venkatraman*	Director (Technical)

* Appointed as Executive Director with effect from 1 January 2023 in place of Mr. Prashant Mahalingam, who retired from the Company and the Executive Board with effect from 31 December 2022.

The duties and responsibilities of the Executive Board of Directors are summarized hereunder:

1. To manage the Company's business under the resolutions/regulations of the Board of Directors.
2. To execute any agreements/contracts binding the Company the terms and conditions of which must be in their scope of authority vested by the Board of Directors. Such agreements/contracts must be affixed with signatures of any two (2) Executive Directors together with the Company's seal.
3. To generally act on behalf and in the interest of the Company and its subsidiaries as may be required to carry on the business.
4. The Executive Board of Directors shall report on the business operations conducted by the Executive Board to the Board of Directors for acknowledgment and discussions. However, policy-related issues, or issues likely to have a significant impact on the Company's business, or issues requiring action by the Board of Directors in compliance with laws, or the Company's Articles of Association, must be approved by the Board of Directors. This also includes issues for which the Executive Board of Directors considers it appropriate to seek the approval of the Board of Directors on a case-by-case basis, or per the criteria designated by the Board of Directors.
5. Prepare and review strategic objectives, financial plans, and key policies of the Company, to be submitted to the Board of Directors for approval.
6. Review management authority in various aspects stipulated in the approval authority hierarchy, to be submitted for approval to the Board of Directors.
7. Appoint, monitor and evaluate the performance of employees from the level of department head down to middle managers.
8. Monitor and report on the Company's operating results to the Board of Directors as well as on other work in progress to achieve the Company's objectives.
9. Communicate with external stakeholders, per designated authority, and as deemed appropriate.

10. Prepare and review policy and guidelines for risk management and monitor the management to ensure the efficiency of risk management system.
11. Prepare and review policy and guidelines for good corporate governance and guidelines to implement corporate social responsibility.
12. Develop and implement anti-corruption systems, as well as encourage employees at all levels and related parties to follow the anti-corruption policy in order to create a culture free of graft.

2.3 THE SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE

The Sustainability and Risk Management Committee has been appointed by the Board of Directors as a mechanism to assist the Board in fulfilling its responsibility for oversight of sustainability and corporate social responsibility policies, strategies, and programs of the Company, prescribing a risk management policy that covers the entire organization with the objective to identify and monitor risks on an on-going basis as well as to put in place effective mitigation measures.

The Board of Directors appointed the Risk Management Committee in the Board meeting No.1/2020 held on 11 February 2020. Thereafter on 4 April 2022, the Board resolved to change the name of the Risk Management Committee from “Risk Management Committee” to “Sustainability and Risk Management Committee” to reflect the fact that the role and responsibility of the Risk Management Committee of the Company also included oversight of sustainability of the Company. The current Sustainability and Risk Management Committee members are as follows:

Name	Position	Status
1. Mr. Kamtorn Sila-On	Chairman of the Sustainability and Risk Management Committee	Independent Director
2. Professor Dr. Pavida Pananond	Sustainability and Risk Management Committee Member	Independent Director
3. Ms. Pensri Suteerasarn	Sustainability and Risk Management Committee Member	Independent Director
4. Mr. Khalid Moinuddin Hashim	Sustainability and Risk Management Committee Member	Executive Director/ Managing Director

The duties and responsibilities of the Sustainability and Risk Management Committee are summarized hereunder:

1. Establish a sustainability policy framework according to the Company’s operations to ensure alignment between the management and the Board on the Company’s sustainability goals and strategy.
2. Review and update the sustainability policy of the Company.
3. Monitor the Company’s performance related to sustainable development to increase efficiency and balance while creating the most value to the Company and stakeholders.
4. Prescribing the risk management policy.
5. Setting out procedures to mitigate and manage major risks that could impact the organization.
6. Oversee the risk management process to ensure that both internal and external risk factors which may impede the achievement of Company objectives are considered during risk identification.
7. Ensure that impact assessment of risk factors is properly carried out and that appropriate risk mitigation methods are identified.
8. Annually review the risk management policies and procedures.
9. Follow up on, and evaluate, the performance in accordance with the organization-wide risk management framework, including a recommendation for an internal control framework.
10. Regularly report the Company’s major risks as well as the progress of measures taken to mitigate these risks, to the Board of Directors.

2.4 THE REMUNERATION COMMITTEE

The Remuneration Committee has been appointed by the Board of Directors as a mechanism to assist the Board in independently proposing the criteria of and setting guidelines for the remuneration of Directors and top executives and to propose the remuneration of the Board of Directors who will then act (accept fully, partially or reject totally) in accordance with the regulations and good governance practices based on the recommendations made by the Remuneration Committee. The Board of Directors is not empowered to fix the remuneration of the Directors but rather required to particularize their recommendations on the same, to the shareholders for their approval.

The Board of Directors appointed the Remuneration Committee in their meeting held on 15 November 2007, which currently consists of three (3) Directors as follows:

Name	Position	Status
1. Mr. Kamtorn Sila-On	Chairman of the Remuneration Committee	Independent Director
2. Professor Dr. Pavida Pananond	Remuneration Committee Member	Independent Director
3. Mr. Kirit Shah	Remuneration Committee Member	Director

The duties and responsibilities of the Remuneration Committee are summarized hereunder:

The Remuneration Committee is responsible for duties assigned by the Board of Directors as follows:

1. Set out compensation guidelines for Directors and top executives and propose the same to the Board of Directors.
2. Propose the Directors' remuneration for the Board to make its recommendations and express its opinion for approval at the shareholders' meeting.
3. Update the Board of Directors about compensation norms being followed by companies in Thailand and abroad.
4. Other specific jobs assigned by the Board of Directors.

2.5 THE NOMINATION COMMITTEE

The Nomination Committee has been appointed by the Board of Directors in order to set up a mechanism to assist the Board to independently propose the criteria and set guidelines for the nomination of new Directors and recruitment and selection of top executives and thereafter propose to the Board of Directors who could then consider the proposal and decide to accept or reject the same or amend it for further approval by shareholders if required (for the appointment of Directors).

The Board of Directors appointed the Nomination Committee in their meeting held on 15 November 2007, which currently consists of three (3) Directors as follows:

Name	Position	Status
1. Ms. Pensri Suteerasarn	Chairperson of the Nomination Committee	Independent Director
2. Mr. Kamtorn Sila-On	Nomination Committee Member	Independent Director
3. Professor Dr. Pavida Pananond	Nomination Committee Member	Independent Director

The duties and responsibilities of the Nomination Committee are summarized hereunder:

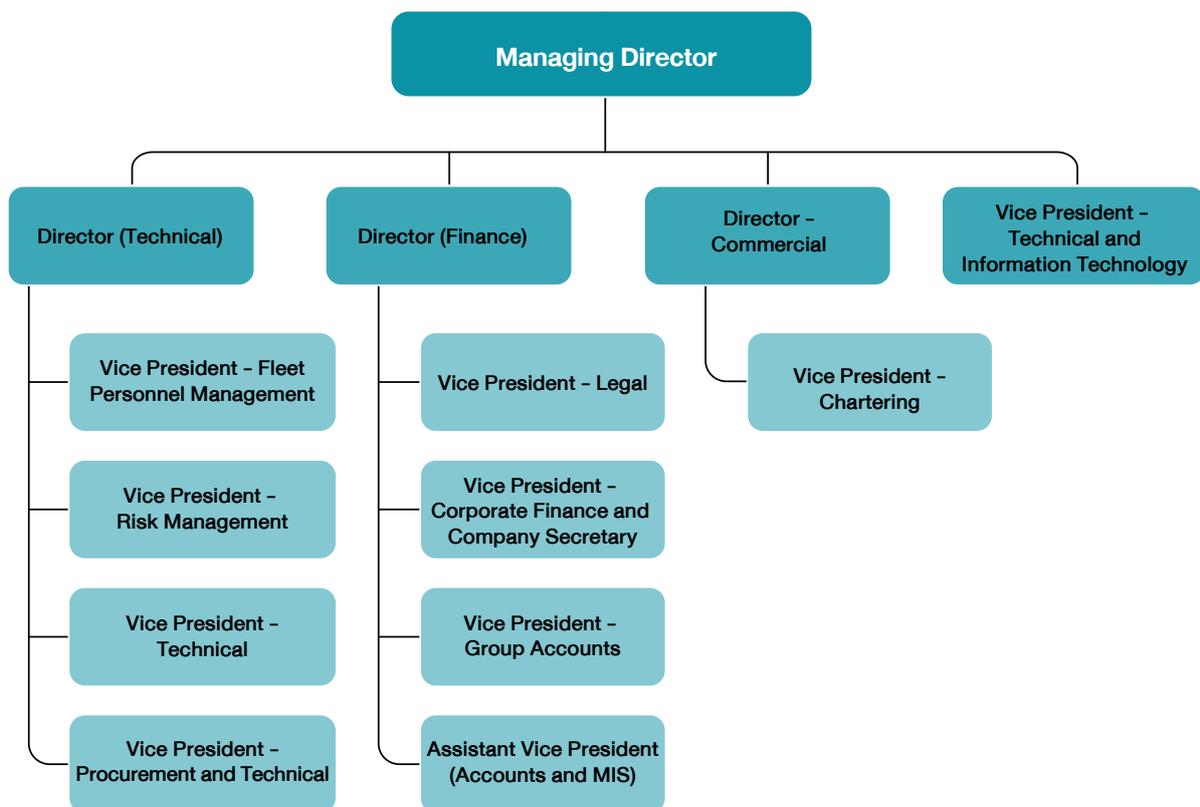
The Nomination Committee is responsible for duties assigned by the Board of Directors as follows:

1. Set out selection and nomination guidelines of appropriate persons and propose the same to the Board of Directors.
2. Review the Board structure and propose a succession plan for Directors and top executives.

3. Propose to the Board, the names of potential candidates for appointment as Directors for the Board's approval, in case of a casual vacancy, or the Board's recommendations for approval in shareholders' meeting.
4. If requested by the Board of Directors, assist in the process of review of the performance of Directors.
5. Prepare specific reports on the latest trends and practices in the appointment of the Directors and top executives for consideration by the Board of Directors.
6. Other jobs assigned by the Board of Directors.

3. MANAGEMENT

3.1 Management Team



The following persons have been appointed by the Board of Directors as the Executive Directors of the Company and constitute the Executive Board of Directors as of 31 December 2022.

Name	Position
1. Mr. Khalid Moinuddin Hashim	Managing Director
2. Mr. Gautam Khurana	Director (Finance)
3. Mr. Prashant Mahalingam*	Director (Technical)

* Retired from the Company and the Executive Board of Directors with effect from 31 December 2022. Replaced by Mr. Chandrasekhar Sivaraman Venkatraman who was appointed Director (Technical) with effect from 1 January 2023.

Management team of the Company and its subsidiaries in 2022 comprises of the following:

Name	Position
1. Mr. Khalid Moinuddin Hashim	Managing Director
2. Mr. Gautam Khurana	Director (Finance)
3. Mr. Prashant Mahalingam*	Director (Technical)
4. Mr. Shrilal Gopinathan	Director (Commercial)
5. Mr. Sebastian Arcanjo Cardozo	Vice President (Fleet Personnel Management)
6. Mr. Neelakantan Vasudevan	Vice President (Risk Management)
7. Mr. Chandrasekhar Sivaraman Venkatraman**	Vice President (Technical and Information Technology)
8. Mr. Shankar Giri Shankar	Vice President - Chartering
9. Mr. Minhaj Zafar	Vice President - Procurement and Technical
10. Mr. Narit Likkasittiphan	Vice President - Technical
11. Ms. Sirasa Supawasin	Vice President (Legal)
12. Ms. Somprathana Thepnapaplern	Vice President - Corporate Finance and Company Secretary
13. Ms. Wimonwan Jaysrichai	Vice President - Group Accounts
14. Ms. Nalinthip Santinanon	Assistant Vice President - Accounts and MIS

* Retired from the Company and the Executive Board of Directors with effect from 31 December 2022.

** Appointed by the Board of Directors as the Executive Director on the Executive Board of Directors and Director (Technical) with effect from 1 January 2023.

3.2 Management Remuneration

Since the year 2007, the Board appointed and assigned the Remuneration Committee to set procedures for consideration of the remuneration of the Directors and top executives in accordance with international standards and comparable with other equivalent listed companies including companies in the transportation industry.

The management remuneration is fixed in accordance with the principles and policies set by the Board of Directors. The Board of Directors directly and specifically approves the remuneration of the Executive Board and the Director employed in an executive capacity in the Company's subsidiary based on the remuneration in the industry for equivalent positions, financial status/performance of the Company and their respective individual performances.

The remuneration of the Executive Directors and management team includes their salary, bonus, and other benefits including severance payments as retirement compensation.

The total remuneration to the Managing Director and management team for 2022, 2021 and 2020 is as follows

Description	Y2020	Y2021	Y2022
	Total amount (Million Baht)	Total amount (Million Baht)	Total amount (Million Baht)
Remuneration for the Managing Director:			
• Salary	7.73	7.77	8.16
• Bonus	-	-	4.17
• Income Tax	3.53	3.74	6.03
• Director fee	0.55	0.55	0.55
• Other remuneration	0.62	0.61	0.62
Total remuneration for Managing Director	12.43	12.67	19.53
Remuneration for management team (excluding Managing Director) – 13 persons (2021: 13 persons and 2020: 12 persons)	48.46	56.05	94.84

3.3 Employee Information

Information for the employees of the Company including its subsidiary, i.e., Great Circle Shipping Agency Limited (“GCSA”) as of 31 December 2022, 2021 and 2020.

Description	31 December 2020	31 December 2021	31 December 2022
Total Employees (persons)	129	129	133
Total Employee Compensation (Million Baht)	229.27	217.68	315.37
Total Male Employee Compensation (Million Baht)	175.66	166.35	238.71
Percentage of Compensation in Male Employees (%)	77%	76%	76%
Total Female Employee Compensation (Million Baht)	53.60	51.34	76.66
Percentage of Compensation in Female Employees (%)	23%	24%	24%
Average Employee Compensation (Million Baht) - excluding Managing Director’s remuneration	1.69	1.60	2.24
Average Male Employee Compensation (Million Baht)	3.14	2.92	4.05
Average Female Employee Compensation (Million Baht)	0.73	0.71	1.04
The ratio of Managing Director compensation to average all employee compensation	7.34:1	7.92:1	8.71:1

Remuneration to office employees is comprised of salary, bonus, and other benefits like provident fund on a voluntary basis, and severance payments as retirement compensation.

4. Other important information

4.1 Information of relevant persons in the Organization

The names, biographies, experience and number of shares held by members of the Board of Directors and management including the company secretary, the person taking the highest responsibility in finance and accounting, the person supervising accounting, the head of internal audit, and the head of legal and compliance are provided in Enclosure 1 “**Information of relevant persons in the Organization**” of this annual report as well as on the corporate website.

4.2 Investor Relations

The Board of Directors recognizes the importance of accurate, complete and transparent disclosure of financial information and general information, which may affect the Company's share price. The Company provides the information through the SET, the Company's website, social media and through regular newsletters and communications from the Managing Director. All investors can send an email to ir@preciousshipping.com or reach out to the following persons who have been designated as contact points for investors, shareholders, analysts and the general public:

Mr. Khalid Moinuddin Hashim	Managing Director Telephone 66 2696 8801 Email: kh@preciousshipping.com
Mr. Gautam Khurana	Executive Director Telephone 66 2696 8858 Email: gk@preciousshipping.com
Ms. Sirasa Supawasin	Vice President – Legal Telephone 66 2696 8854 Email: sirasa@preciousshipping.com
Ms. Somprathana Thepnaplern	Vice President - Corporate Finance and Company Secretary Telephone 66 2696 8856 Email: som@preciousshipping.com

4.3 Company Secretary

In keeping with good corporate governance, the Company designated a company secretary viz. Ms. Somprathana Thepnaplern, having duties and responsibilities in accordance with the Securities and Exchange Act and to be responsible for overseeing and advising the Board and the management regarding applicable laws, rules, regulations and good corporate governance, and responsible for holding the Board and shareholders' meetings. The additional tasks include assisting the Board to comply with resolutions and safeguard the Company's documents and information.

4.4 Audit Fee

The total audit fee and non-audit fee paid in 2022 and 2021 for the Company, all its subsidiaries, and associates were as following:

Details	Y2021 (Million Baht)	Y2022 (Million Baht)
Audit fee and Non-audit fee - Paid to EY Office Limited:-		
Audit fee for the Company	2.10	2.15
Audit fee for Thai subsidiaries and 1 foreign subsidiary	2.38	2.42
Total Audit fee	4.48	4.57
Non-audit fee services - Paid to EY Office Limited:-		
• Fee for certification purposes by BOI	0.18	0.15
• Fee for reviewing the accounts of certain foreign subsidiaries (for consolidation purpose)	0.88	0.91
Total Non-audit fee services for the Company and its subsidiaries	1.06	1.06
Total Audit fee and Non-audit fee - Paid to EY Office Limited	5.54	5.63
Audit fee for foreign subsidiaries - Paid to other audit firms	3.66	4.23
Non-audit fee for foreign subsidiaries - Paid to other audit firms	0.96	1.25
Total Audit fee and Non-audit fee for the year	10.16	11.11



CORPORATE GOVERNANCE REPORT

The Board of Directors is the main driver in defining the direction of the Company's performance, achieving its goals and objectives and defining the Company mission, vision, core values, strategic business plan, appointment of competent and effective management and managing the Company's affairs with good corporate governance. The Board of Directors is responsible for overseeing the strategic direction of the Company and ensuring compliance with the business plans. The Executive Board is delegated to manage the day-to-day operations of the Company and reports the results thereof to the Board. These reports are typically given at quarterly board meetings, with the goal of achieving company objectives and staying within legal guidelines.

At the Board of Directors' meeting held on 11 November 2022, the Board reviewed the Company's vision and mission statement and core values and found that they are in line with the Company's strategic objectives and the principles of sustainable development.

This corporate governance report not only captures the relevant principles of corporate governance that the Company follows, but also the key performance of the Board in respect of corporate governance for the year 2022.

1. Nomination, Development and Performance Assessment of the Board

The Nomination Committee shall recommend candidates to the Board of Directors to replace retiring Directors or to fill any other vacancy.

Independent Director

The Independent Directors are independent from the management and have no business or activities with the Company and must not be involved in the day-to-day management of the Company or an affiliated company which may compromise the interests of the Company and/or the shareholders.

Qualifications of Independent Directors of the Company

The following qualifications of Independent Director of the Company are more rigorous than the requirements set by the Stock Exchange of Thailand ("SET") and the Securities and Exchange Commission ("SEC").

- The Independent Director must not hold shares exceeding 0.5 percent each, including shares held by a related person, of paid-up capital of the Company, a subsidiary or of an affiliated, associated or a related company.
- The Independent Director must not be involved in the day-to-day management and must not be an executive director, employee or advisor who receives salary or other kinds of compensation from the Company, its subsidiaries, or affiliated companies, associated companies or related companies or with the major shareholders of the Company during the period of two (2) years before the date of appointment as Independent Director.
- The Independent Director must not have any business relationship pursuant to the regulations of the SEC and also must be free of any present, direct or indirect, financial or other interest in the management and business of the Company, its subsidiaries, associated companies, or its major shareholders during the period of two (2) years before the date of appointment as Independent Director.

The term 'business relationship' under the above paragraph, such as any normal business transaction, rental, or lease of immovable properties, transaction relating to assets or services, or grant or receipt of financial support through receiving or extending loans, guarantee, providing assets as collateral, including any other similar action whose value exceeds THB 20 million or more than 3% of the net tangible assets, whichever is lower.

- The Independent Director must not be the external auditor of the Company, its subsidiaries, or affiliated companies, associated companies or related companies, or with its major shareholders nor be a significant shareholder, a controlling person or a partner of such audit firm which employs external auditors of the Company, its subsidiaries, or affiliated companies, associated companies or

related companies, or with its major shareholders during the period of two (2) years from the date of appointment as Independent Director.

- The Independent Director must not be a provider of any professional services, such as legal advisor, financial advisor or asset appraisal who receives service fees exceeding Baht 2,000,000 per year from the Company, its subsidiaries or affiliated companies, associated companies or related companies, or with its major shareholders during the period of two (2) years from the date of appointment as Independent Director.
- The Independent Director must not be a blood relative or legal relative of any Executive Director, management team, major shareholder or significantly influential person in/of the Company.
- The Independent Director must not be acting as a nominee or representative of any director, major shareholder or shareholders, who are a relative of any major shareholders of the Company.
- The Independent Director must be able to carry out their duties, exercise their judgment, and report the committee's performances, which are assigned by the Board of Directors without being influenced by Executive Directors or major shareholders of the Company, including related persons or relatives.

Independent Director's Roles and Duties

- Independent Directors should have access to adequate financial and other business information for them to perform their duties effectively.
- They should regularly attend every board meeting, including committee meetings, and raise questions to ensure the interests of Company's shareholders' and the protection of rights of other stakeholders', and that the Company complies with best practices.
- Independent Directors should possess abilities and display willingness to learn the Company's businesses, and express their views independently, as well as dedicate time and attention to the Company as needed.
- Independent Directors should regularly hold meetings among themselves and try in every way possible to look for opportunities in which they can discuss business management issues with the management.
- Independent Directors are expected to submit a confirmation letter to the Company verifying their independence in accordance with the Company's definition, on the date they accept the appointment and every subsequent year if required.
- It is expected that there should be specific terms given to Independent Directors, and no director is expected to stay on beyond a certain time limit. Nonetheless, the difficulties of searching an appropriate replacement and the benefits of the working relationship built up over the years within the Independent Directors and their understanding of the business must also be taken into account. Accordingly, at present no time limit has been set up for the Independent Directors apart from the statutory limits placed under applicable law.

Nomination and selection of Directors and Top Executives

The Nomination Committee shall review the structure and composition of the Board of Directors, set nomination criteria and search for candidates with qualifications appropriate for the company's situation and needs.

Board Diversity Policy

The Company considers increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and sustainable development. The Board members represent diversity from a range of perspectives including gender, age, educational background, skills, knowledge, and professional experience. This diversity is important to ensure that the Company has a well-rounded and balanced perspective on the issues and opportunities it faces. A diverse Board with a significant number of female directors, can lead to better decision-making which provides a competitive advantage for the Company. Accordingly, it is recommended that at least 30% of the board be composed of female directors, as it is a good practice for diversity and inclusivity.

Furthermore, having a diverse Board of Directors with members who possess a range of skills and experiences is important for the Company. This diversity can bring valuable insights and perspectives to the table, particularly in areas such as shipping, financial management, technology, risk management, law and

compliance. These skill sets can help the Company make well-informed decisions and navigate potential challenges in these areas.

When selecting new directors, the Board of Directors evaluates candidates based on their qualifications and the mix of skills they bring to the table. They also take into account diversity and how the candidate aligns with the Company's strategic direction.

Procedure for selection and appointment of new directors

The procedure when selecting and appointing new directors varies depending upon the circumstances of the Company at the particular time. In general, when the Board of Directors intends to appoint a new director (as a vacancy occurs or as an additional member on the Board), the following procedure is followed in selecting and appointing a new director to the Board of Directors:

- The Nomination Committee evaluates the range of skills, experience, expertise and diversity of the existing Directors, and identifies other appropriate qualifications giving consideration in line with the Company's strategic direction, and gaps which need to be filled. Consideration is given to the balance of Independent Directors on the Board and the best practice recommendations as set out in the SET corporate governance principles.
- For seeking suitable candidates, the Nomination Committee may utilize the personal network of the Board members and top executives of the Company and may consider the proposals from the shareholders or may engage an external search firm or may use director pool information from the Thai Institute of Directors (IOD).
- The Nomination Committee screens the Director candidates, and then interviews each interested preferred candidate to identify those individuals who best fit the target candidate profile. Once the Nomination Committee has identified an appropriate candidate for the Board to consider, it may also arrange the Board members to meet with the candidate.
- The Nomination Committee submits its recommendations to the Board of Directors, which is proposed for the shareholders' approval at the shareholders' meeting or which is proposed for the Board's approval as a temporary replacement if a director resigns during his or her term in office and a casual vacancy is created.

Procedure for re-election of Directors who retire by rotation

In accordance with Section 71 of the Public Limited Companies Act B.E. 2535 and Article No.17 of the Articles of Association of the Company, at every Annual General Meeting, at least one-third of the Directors, or, if their number is not a multiple of three, then the number nearest to one-third, must retire from office. In every subsequent year, the Director who has been longest in office shall retire. A retiring Director is eligible for re-election. The following procedure is followed for re-election of a director who retires by rotation:

- The Nomination Committee considers the past performance of the retiring directors e.g. attendance, participation in meetings and other contributions to the activities undertaken by the Board of Directors.
- After reviewing, the Nomination Committee submits its recommendations to the Board of Directors, which is proposed for the shareholders' approval at the shareholders' meeting.

Nomination of Directors for the year 2022

The Company invited the shareholders to nominate a candidate to be elected as a member of the Board of Directors in the annual general meeting of shareholders (AGM) No. 1/2022 through the Company's website from 1 October 2021 to 31 December 2021. However, there were no proposals from the shareholders.

The Board of Directors proposed the re-election of the following three (3) directors* who retired by rotation at the AGM No. 1/2022 for the shareholders' consideration and approval:

- | | |
|---------------------------|--|
| 1. Mr. Kamtorn Sila-On | Chairman of Audit and Corporate Governance Committee/
Chairman of the Sustainability and Risk Management Committee/
Chairman of the Remuneration Committee/ Nomination Committee
Member/ Independent Director |
| 2. Mr. Ishaan Shah | Director |
| 3. Ms. Pensri Suteerasarn | Chairperson of the Nomination Committee / Independent Director |

* Ms. Lyn Yen Kok excused herself from being available for re-election at the AGM No.1/2022.

The Board of Directors, on the recommendation of the Nomination Committee, was of the opinion that the above three (3) directors were eligible to be and should be nominated for re-election. They were mature, highly qualified and widely experienced in international business and have vast experience, in international trading, finance, and shipping which will enable them to provide valuable inputs to the existing operations as well as give direction for the future growth and sustainability of the Company. It was expected that the Company would benefit immensely from their knowledge, ideas, and suggestions that they would bring to the Board of Directors.

The shareholders approved the re-election of the three (3) Directors who retired by rotation, with the majority votes cast by all shareholders who were present and eligible to vote. The shareholders who were eligible to vote had one vote for each share they held.

2. Directors' Development

The Board of Directors continues to try and enhance their value by participation in activities, courses and events which add to their knowledge base in the continually changing business environment to ensure that they are updated and possess full knowledge. All Board members (100% of the Board of Directors) have attended the Director Certification Program (DCP) and/or the Director Accreditation Program (DAP) held by the Thai Institute of Directors Association (IOD).

The Company encourages every director to acquire further knowledge through training imparted by the Thai Institute of Directors Association (IOD), Thai listed Companies Association (TLCA) and other leading organizations as well as attend seminars to enhance their ability to perform their roles.

In 2022, the Company's management attended a "Strategy Review" session together with the Board of Directors. Besides presentations by members of the management, there was also a presentation on the outlook of the shipping market, by an industry expert.

Details of Directors who attended training programs/seminars in 2022

Director's name	Seminar/Training course	Conducted by
Professor Dr. Pavida Pananond	Director Leadership Certification Program (DLCP 9/2022)	Institute of Directors (IOD)
Mr. Gautam Khurana	Speaker at HSBC 16 th Annual Transport and Logistics Conference	HSBC Holdings Plc
	CEO Excellence	Thailand Listed Companies Association (TLCA) and McKinsey & Company
	E-Learning CFO's Refresher Course: ESG and Sustainability in Business and Financial Disclosure for Listed Company	The Stock Exchange of Thailand
	Gender Equity	Adecco Consulting Limited (Virtual in-house training)
	Information Security Awareness	Virtual in-house training
Ms. Sirasa Supawasin	Women in Maritime Conference	Norton Rose Fulbright
	Practical Techniques for complying with Data Protection Law	National Institute of Development Administration (NIDA)
	The Global Summit of Women 2022	Global Summit of Women
	Gender Equity	Adecco Consulting Limited (Virtual in-house training)
	Information Security Awareness	Virtual in-house training

Directors' Orientation

The Company Secretary provides any newly appointed director with the background of the Company's business, profile and industry along with all the relevant documents such as the Director's handbook, the Company's corporate documents, CG policy manual, business ethics and code of conduct manual, anti-corruption policy, laws, regulations and practices which are related to the trading of Company's shares.

The Company arranged such a Directors' orientation program for the two (2) new Directors who were appointed in 2020.

3. Performance Evaluation of the Board, the Sub-committees and the Managing Director

Criteria

The Company conducts an evaluation of the performance of the Board of Directors, the sub-committees, and the Managing Director at least once a year.

Procedures

- The Company secretary is responsible for distributing evaluation forms to the directors of the Company, which includes forms for evaluating the Board as a group and on an individual basis, as well as forms for evaluating sub-committees. The Managing Director's evaluation form is specifically distributed to the Non-Executive Directors.
- The performance evaluation results of the Board of Directors, sub-committees, and the Managing Director are presented for discussion at the Non-Executive Directors meeting.
- In the Board meeting, a summary of the recommendations from the performance evaluations of the Board of Directors, the sub-committees, and the Managing Director is presented to the Board for consideration.

Board Self-Assessment

Board members conducted a self-assessment as a group through a questionnaire following the IOD guidelines which covered the subjects as follows:

- Structure and characteristics of the Board
- Roles and responsibilities of the Board
- Board of Directors' meetings
- The Board's performance of duties
- Relationship with management
- Self-development of Directors and executive development

In addition to the performance evaluations mentioned previously, the Board members also conduct a self-assessment on an individual basis through a questionnaire following the IOD guidelines, which covered the subjects as follows:

- Personal qualifications
- Readiness to perform duties
- Participation in Board of Directors' meetings
- Roles, duties and responsibilities
- Relationship between the Board and management

At the Board of Directors Meeting held on 11 November 2022, the Board members acknowledged the scores of the Board's Self-Assessment as a group and as individuals. Both assessments fell in the level of "Excellent". The Board of Directors intends to use this result to further improve its performance. The Company intends that the self-assessment be done every year in order to comply with the good corporate governance practice and accordingly this exercise will be conducted again in year 2023.

The Board Committees' Self-Assessment

The Company has five (5) Board Committees i.e., the Audit and Corporate Governance Committee, the Sustainability and Risk Management Committee, the Executive Board of Directors, the Nomination Committee, and the Remuneration Committee. In the Board of Directors Meeting held on 11 November 2022, the Board of Directors acknowledged the results of each board committee self-assessment conducted by members of each board committee through a questionnaire following the IOD guidelines which covered the subjects as follows:

- Structure and characteristics of the Board committees
- Board committees meeting
- Roles and responsibilities of the Board committees in each particular committee

The scores of each board committee self-assessment are summarized as follows

Board committees	2022 Results of self-assessment
Audit and Corporate Governance Committee	Excellent
Sustainability and Risk Management Committee	Excellent
The Executive Board of Directors	Excellent
Nomination Committee	Very Good
Remuneration Committee	Very Good

Each Board Committee intends to use this result to further improve its performance. The Company intends that the self-assessment be done every year in order to comply with good corporate governance practice and accordingly, this exercise will be conducted again in year 2023.

Managing Director Evaluation

In the Board of Directors Meeting held on 11 November 2022, the Board of Directors acknowledged the results of Managing Director evaluation conducted by Non-Executive Directors through a questionnaire following the SET guidelines which covered the subjects as follows:

- Leadership
- Strategy formulation
- Strategy execution
- Financial planning/performance
- Relationships with the Board
- External relations
- Human resources management/relations
- Succession
- Product/service knowledge
- Personal qualities

The score of Managing Director Evaluation fell in the level of “Excellent”. The Company intends that the Managing Director Evaluation be done every year in order to comply with good corporate governance practice and accordingly this exercise will be conducted again in year 2023.

4. Meeting Attendance and Remuneration of Directors

4.1 Board of Directors’ Meetings

The Board of Directors meetings for the coming year are scheduled and informed the Board members in advance by the end of each year.

For each meeting, through the year, an agenda is predetermined by the Chairman of the Board of Directors and Managing Director. The meeting has a specific agenda, which would include a review of the Company’s operations.

The Company Secretary sends the notice of the meeting and relevant documents to all Directors, at least seven (7) days prior to the meeting date, so as to allow sufficient time for them to review the information before joining the meeting.

Board of Directors’ meetings are held after the Audit and Corporate Governance Committee meeting so that the minutes of the Audit and Corporate Governance Committee meeting can be sent to the Board of Directors for their consideration and discussion during the Board meeting. Directors are free to contact an Executive Director directly, should they feel the need to obtain any additional clarification.

Unless there is reasonable ground or necessity, each director must attend at least 75% of all board meetings held in a year.

In every meeting, the minutes of the meeting are recorded, reviewed and adopted by the Board of Directors. The minutes of the meeting are kept with the Company secretary for ready reference and review by other concerned parties.

A Board meeting via electronic means is held in accordance with relevant laws and regulations concerning electronic meetings.

Details of Directors' attendance for Board of Directors and Sub Committee meetings held in 2022 are set out in the following table

Director's name		Board of Directors and Sub Committee meetings												Annual General Meeting of the Shareholders	
		Attendance / Total meetings (times)													
		Board of Directors		Audit and CG Committee		Sustainability and Risk Management Committee		Executive Board of Directors		Remuneration Committee		Nomination Committee			
In-person	By electronic means	In-person	By electronic means	In-person	By electronic means	In-person	By electronic means	In-person	By electronic means	In-person	By electronic means	In-person	By electronic means		
1.	Mr. Chaipatr Srivisarvacha	2/2	5/5											-	1/1
2.	Mr. Kamtorn Sila-On	1/1	6/6	-	4/4	-	4/4			1/1	2/2	1/1	2/2	-	1/1
3.	Ms. Pensri Suteerasarn	2/2	5/5	-	3/3	-	3/3					1/1	2/2	-	1/1
4.	Professor Dr. Pavida Pananond	2/2	5/5	-	4/4	-	4/4			1/1	2/2	1/1	-	-	1/1
5.	Ms. Lyn Yen Kok*	-	2/2	-	1/1	-	1/1					-	2/2	-	1/1
6.	Mr. Khushroo Kali Wadia	2/2	5/5											-	1/1
7.	Ms. Nishita Shah	-	6/7											-	1/1
8.	Mr. Kirit Shah	2/2	5/5							1/1	2/2			-	1/1
9.	Mr. Ishaan Shah	2/2	5/5											-	1/1
10.	Mr. Khalid Moinuddin Hashim	2/2	5/5			-	4/4	5/5	1/1					-	1/1
11.	Mr. Gautam Khurana	2/2	5/5					5/5	1/1					-	1/1
12.	Ms. Sirasa Supawasin	2/2	5/5											-	1/1
13.	Mr. Prashant Mahalingam							5/5	1/1						
Total meetings		7 times		4 times		4 times		6 times		3 times		3 times		1 time	
Percentage of meeting attendance		98%		100%		100%		100%		100%		100%		100%	

* Retired by rotation from the Board of Directors on 4 April 2022

For the year 2022, all resolutions of the Board of Directors were passed by the vote of the Directors present at the Board of Directors' meetings with a quorum of more than two-thirds of all the Board members.

On 11 November 2022, the Non-Executive Directors held a meeting among themselves for discussing the business management issues and performance of the Executive Directors. The results from the meeting were reported to the Board of Directors.

4.2 Directors' Remuneration

The Board of Directors appointed the Remuneration Committee in its meeting held on 15 November 2007 in order to oversee the remuneration of Directors. The proposal of the Directors' remuneration and the recommendations and opinion of the Board of Directors regarding the Directors' remuneration would be presented for approval in shareholders' meeting. The details of Remuneration Committee such as members, qualification, duties and responsibilities are disclosed on the website of the Company and under the subject "Organization Structure" of this annual report. Any recommendations on Directors' remuneration must meet the criteria specified by the Board of Directors. The criteria are clearly laid out in the corporate governance policy of the Company.

In the years 2022 and 2021, the Company proposed the Directors' remuneration for the year as a fixed retainer fee without any other compensation which was paid quarterly in equal installments for each respective quarter, which was approved in the shareholders' meeting as follows:

(In million Baht)

Name of Director		Amount							
		2022					2021		
		Position	Board of Directors	Audit and Corporate Governance Committee	Sustainability and Risk Management Committee	Total	Board of Directors	Audit and Corporate Governance Committee	Total
1	Mr. Chaipatr Srivisarvacha	Chairman of the Board of Directors, Independent Director	1.20			1.20	1.20		1.20
2	Mr. Kamtorn Sila-On	Chairman of the Audit and CG Committee, Chairman of the Sustainability and Risk Management Committee, Independent Director	0.55	0.40	0.11	1.06	0.55	0.40	0.95
3	Ms. Pensri Suteerasarn	Member of the Audit and CG Committee, Member of the Sustainability and Risk Management Committee, Independent Director	0.55	0.15	0.08	0.78	0.55		0.55
4	Professor Dr. Pavida Pananond	Member of the Audit and CG Committee, Member of the Sustainability and Risk Management Committee, Independent Director	0.55	0.20	0.08	0.83	0.55	0.20	0.75
5	Ms. Lyn Yen Kok*	Member of the Audit and CG Committee, Member of the Sustainability and Risk Management Committee, Independent Director	0.14	0.05		0.19	0.55	0.20	0.75
6	Mr. Khushroo Kali Wadia	Director	0.55			0.55	0.55		0.55
7	Ms. Nishita Shah	Director	0.55			0.55	0.55		0.55
8	Mr. Kirit Shah	Director	0.55			0.55	0.55		0.55
9	Mr. Ishaan Shah	Director	0.55			0.55	0.55		0.55
10	Mr. Khalid Moinuddin Hashim	Managing Director, Executive Director	0.55			0.55	0.55		0.55
11	Mr. Gautam Khurana	Executive Director	0.55			0.55	0.55		0.55
12	Ms. Sirasa Supawasin	Executive Director	0.55			0.55	0.55		0.55
Total annual remuneration**			6.84	0.80	0.27	7.91	7.25	0.80	8.05

* Retired by rotation from the Board of Directors on 4 April 2022

** Paid quarterly to the Chairman of the Board of Directors Baht 300,000 per quarter, each Board member Baht 137,500 per quarter, the Chairman of Audit and CG Committee an additional Baht 100,000 per quarter, each Audit and CG Committee member an additional Baht 50,000 per quarter, the Chairman of Sustainability and Risk Management Committee an additional Baht 37,500 per quarter and each Sustainability and Risk Management Committee member (only a member who is an independent director) an additional Baht 25,000 per quarter

The comparison of remuneration of the Chairman, Directors, the Chairman of Audit and Corporate Governance Committee, Audit and Corporate Governance Committee members, the Chairman of Sustainability and Risk Management Committee, Sustainability and Risk Management Committee members and management between the Company and other listed companies and listed companies in the service sector is as follows:

(In Million Baht/Person/Year)

Description	* PSL		** Service Sector							
	2022	2021	Mean		Median		Min		Max	
			Retainer & Attendance	Retainer, Attendance & Bonus	Retainer & Attendance	Retainer, Attendance & Bonus	Retainer & Attendance	Retainer, Attendance & Bonus	Retainer & Attendance	Retainer, Attendance & Bonus
Chairman of the BOD	1.20	1.20	0.97	1.95	0.77	1.24	0.22	0.27	4.04	9.29
Executive Directors	0.55	0.55	0.50	1.17	0.38	0.70	0.16	0.22	2.01	4.63
Non-Executive Directors	0.55	0.55	0.54	1.07	0.43	0.73	0.16	0.21	2.67	5.29
Management	8.17	4.91	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Chairman of Audit and CG Committee ***	0.40	0.40	0.62	1.91	0.44	1.73	0.14	0.26	2.03	4.48
Audit and CG Committee members ***	0.20	0.20	0.41	1.49	0.26	1.34	0.07	0.19	1.58	3.63
Chairman of Sustainability and Risk Management Committee ****	0.11	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Sustainability and Risk Management Committee members ****	0.08	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

* PSL's figures are actuals of respective years

** From IOD's Thai Directors Compensation Survey 2022

*** Additional Remuneration as Chairman of Audit and CG Committee/Audit and CG Committee Member

**** Additional Remuneration as Chairman of Sustainability and Risk Management Committee/ Sustainability and Risk Management Committee members

N.A. Not available since not reported

(In Million Baht/Person/Year)

Description	* PSL		** All Listed Companies with revenue 5,001 - 10,000 MB.							
	2022	2021	Mean		Median		Min		Max	
			Retainer & Attendance	Retainer, Attendance & Bonus	Retainer & Attendance	Retainer, Attendance & Bonus	Retainer & Attendance	Retainer, Attendance & Bonus	Retainer & Attendance	Retainer, Attendance & Bonus
Chairman of the BOD	1.20	1.20	0.81	1.47	0.69	1.19	0.29	0.35	3.15	5.49
Executive Directors	0.55	0.55	0.50	0.91	0.44	0.77	0.19	0.24	1.72	2.59
Non-Executive Directors	0.55	0.55	0.51	0.93	0.44	0.76	0.19	0.24	1.93	3.14
Management	8.17	4.91	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Chairman of Audit and CG Committee ***	0.40	0.40	0.48	0.68	0.37	0.57	0.14	0.34	1.38	1.58
Audit and CG Committee members ***	0.20	0.20	0.35	0.50	0.25	0.40	0.08	0.23	1.10	1.25
Chairman of Sustainability and Risk Management Committee ****	0.11	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Sustainability and Risk Management Committee members ****	0.08	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

* PSL's figures are actuals of respective years

** From IOD's Thai Directors Compensation Survey 2022

*** Additional Remuneration as Chairman of Audit and CG Committee/Audit and CG Committee Member

**** Additional Remuneration as Chairman of Sustainability and Risk Management Committee/ Sustainability and Risk Management Committee members

N.A. Not available since not reported

(In Million Baht/Person/Year)

Description	* PSL		** All Listed Companies with the Market Capital 10,001 - 50,000 MB.							
	2022	2021	Mean		Median		Min		Max	
			Retainer & Attendance	Retainer, Attendance & Bonus	Retainer & Attendance	Retainer, Attendance & Bonus	Retainer & Attendance	Retainer, Attendance & Bonus	Retainer & Attendance	Retainer, Attendance & Bonus
Chairman of the BOD	1.20	1.20	1.13	2.24	0.80	1.45	0.23	0.28	7.34	13.63
Executive Directors	0.55	0.55	0.63	1.36	0.51	0.90	0.19	0.24	3.49	6.64
Non-Executive Directors	0.55	0.55	0.68	1.39	0.54	0.94	0.19	0.24	4.05	7.20
Management	8.17	4.91	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Chairman of Audit and CG Committee ***	0.40	0.40	0.62	0.62	0.53	0.53	0.09	0.09	2.56	2.56
Audit and CG Committee members ***	0.20	0.20	0.43	0.43	0.44	0.44	0.07	0.07	1.84	1.84
Chairman of Sustainability and Risk Management Committee ****	0.11	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Sustainability and Risk Management Committee members ****	0.08	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

* PSL's figures are actuals of respective years

** From IOD's Thai Directors Compensation Survey 2022

*** Additional Remuneration as Chairman of Audit and CG Committee/Audit and CG Committee Member

**** Additional Remuneration as Chairman of Sustainability and Risk Management Committee/ Sustainability and Risk Management Committee members

N.A. Not available since not reported

5. Supervision of Subsidiaries and Associated Companies¹

The Company shall at all times, ensure that all the subsidiaries' and associated companies¹ are in compliance with applicable laws and regulations.

The Board has set up the following mechanism in order to supervise and monitor corporate governance of the Company's subsidiaries and associated companies¹.

- The Company shall nominate directors in each subsidiary as appropriate for the business operations of such subsidiary and the governing laws and regulations. For associated companies¹, director appointment shall be as per an investment agreement (if any).
- The Board of Directors considers proposed candidates for Executive Directors on the Executive Board of Directors of the Company. The Executive Directors are generally appointed as directors in the Company's subsidiaries. However, the number of directors in each subsidiary depends on business requirements and governing laws.
- Directors of the subsidiaries perform their duties in conformity with applicable laws and ensure that the business of the subsidiaries operates in accordance with applicable laws. The Directors, in their business conduct, are expected to generally act with care to preserve the interest of the Company.
- Financial performance of the subsidiaries shall also be reported to and considered by the Company's Board of Directors on a regular basis.
- The Executive Directors shall ensure that the Company and its subsidiaries comply with the disclosure requirements of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). They shall also ensure that all material information is disclosed in a timely and accurate manner.
- The internal control systems and policies of the Company shall extend to its subsidiaries. The internal audit department will monitor the implementation of these policies and procedures at the subsidiaries

and report any issues to the Audit and Corporate Governance Committee. The Committee will then review the findings and take appropriate action to address any issues identified.

¹ “associated company” means:

- (a) a company whose shares are held by the parent company or the subsidiary company in an aggregate number of more than twenty percent but not exceeding fifty percent of the total number of shares with voting rights of the company being held;
- (b) a company in which the parent company or the subsidiary company has the power to participate in making decisions on financial policies and operational matters of the company but not insomuch as to have control over such policies and not deemed as a subsidiary company or joint venture.

The Company’s implementation of Good Corporate Governance principles is outlined hereunder:

1. Rights of Shareholders and Equitable Treatment of Shareholders

The Company recognizes the rights of shareholders as well its fiduciary duty to ensure equitable treatment of all shareholders and to safeguard the interests of all shareholders. The basic legal rights comprise the right to buy/sell or to transfer securities held, the right to share in profits of the Company, the right to receive dividend, the right to attend the shareholders meetings, the right to propose agenda in the shareholders meetings, the right to vote for the appointment of Directors and fixing of Director remunerations, the right to vote for the appointment of auditors and fixing of auditors’ fees and the right to take part in decision-making of the Company’s material issues, such as approval of key activities affecting business direction.

Apart from the basic rights of shareholders above, the shareholders have the right to receive information on operating performance, newsletters from management and other key information via the Company’s website. In accordance with good corporate governance guidelines, the Company has conducted its affairs with a view to protecting shareholders’ rights and also encouraging all shareholders to exercise their rights. The policy for maintaining rights of shareholders is part of the Company’s corporate governance policy manual which is disclosed on the Company’s website.

The Board of Directors respects the rights of shareholders by way of facilitating the following for them to attend the annual general meetings of shareholders.

- All shareholders including the institutional shareholders are continuously encouraged to participate and vote in the shareholders’ meetings.
- Proxy forms for attending the shareholders’ meetings, and proxy delegation process are enclosed with the meeting invitations.
- Duty stamps are available to facilitate the proxies.
- In case of face-to-face meetings, the Company arranges the shareholders’ meetings at the center of town, where it is convenient for the shareholders to get to the venue. In case of electronic meetings, the Company ensures that the selected e-meeting platform for the shareholders’ meetings is secure, reliable, and user-friendly.
- The Board is committed to not adding any new agenda item without notice to shareholders in advance.

The Company takes care and treats all shareholders, both major shareholders and minority shareholders as well as foreign shareholders on a fair and equal basis. The Board ensures that all shareholder rights are protected and that they all get fair treatment.

2. Role of Stakeholders

The Company recognizes the importance of all stakeholder groups whether it is the internal stakeholders such as shareholders, employees and management of the Company and subsidiaries or external stakeholders such as creditors, suppliers, customers, communities, government agencies and other related organizations. The Company is aware that the support from each stakeholder would help establish the Company’s competitive advantages and profitability, which would contribute greatly to the Company’s long-term success and prosperity. The Company has also amended the Company’s website to include, under the subject of “Stakeholder Activities”,

the policy and code of conduct towards stakeholders in business ethics and code of conduct manual and included therein a way whereby the website can be used as one of the intended channels for any stakeholder to express his/her opinion and contact the Board of Directors in case they wish to contact the Board of Directors directly without going through the management. The Board will treat such information seriously and will maintain utmost confidentiality. If the complaints are not unfounded, the Board would take all remedial action that may be necessary.

- **Management:** The Company recognizes that management is one of the key determinants of success for the Company's operations and accordingly, management remuneration is appropriately structured and comparable with the industry norms and other equivalent listed companies in Thailand. The management is also allowed to work independently without interference as defined in their duties and responsibilities, which are approved by the Board of Directors.
- **Employees:** The Company recognizes that employees are key drivers for smooth and successful operations. The Company provides equal opportunities in employment and career advancement without prejudice to race, gender, religion and age. The Company emphasizes its recognition and commitment towards gender equality by way of including a separate diversity and inclusion policy in its business ethics and code of conduct to ensure that all job applicants and employees are treated with fairness and dignity at the workplace, regardless of their gender and background. In October 2021, the Company has also become a signatory to the women's empowerment principles established by UN Global Compact and UN Women, which are a set of principles offering guidance to business on how to promote gender equality and women's empowerment in the workplace, marketplace and community. Human resource policies conform to local labor law regulations. The Company ensures that employees possess adequate knowledge and skills to perform their jobs for the Company's business and understand relevant code of conduct and practice and are encouraged to gain knowledge and ability and keep them updated following industry trends. The subject of safety and occupational health of all seafarers serving onboard the Company's ships has been explained under the subject of "**Sustainable Development**" of this annual report.

The Company provides remuneration to office employees as salary, bonus, and other benefits, like provident fund on a voluntary basis, although such other benefits are not required by law. Remuneration is based on their performance, roles and duties and incentives/ increments/ bonuses are also based on financial status/performance and future plans of the Company. As a long-term incentive, the Company does not have an employee stock option plan in place since the Company feels that to a large extent, the share price of the Company depends on a number of factors beyond the employees' direct control like the state of the international freight markets and therefore, the Company's share price may not adequately reflect the better performance of the employees. Therefore, the Company has implemented a profit-sharing scheme, which ensures that the employees are paid bonuses annually based on the performance of the Company against specified quantitative targets, which are laid down annually in advance.

The Company provides in-house and external training for officers of the Company both at head office as well as on the ships. The costs of such training are borne by the Company. Moreover, the Company allows special leave and flexible working hours for employees who are undergoing longer term professional or degree courses. Moreover, the Company supports good relationship between all employees including the management.

The Company has appointed the welfare committee consisting of five (5) employees from various departments to oversee employee well-being, consult with the management on employees' welfare issues, provide advice, and make recommendations to the Company regarding employee welfare.

- **Brokers:** The Company recognizes that shipbrokers with whom the Company regularly deals with for obtaining business for Company's ships are one of the Company's key success factors. Accordingly, terms are negotiated with a view to ensuring fairness and in keeping with industry norms so as to ensure a mutually beneficial long-term working relationship.

- **Creditors:** The Company recognizes that financial creditors are an important determinant of the success for the Company, given the Company's highly capital-intensive business. The Company values its relationship with and its commitment towards all of its lenders and therefore, the Company generally complies with all terms in borrowings including compliance with the objectives of using the borrowed funds, repayment, collateral, and other conditions as may be agreed. Moreover, if there is any covenant in any of the loan agreements with which the Company is unable to comply, the Company proactively approaches the lenders to seek a waiver or achieve other mutually acceptable solutions.
- **Suppliers:** The Company recognizes the importance of satisfied suppliers and so the Company always ensures that suppliers are provided with equal information. Terms and conditions for suppliers are based on industry norms and practices and thereafter, agreed terms and conditions are strictly followed by the Company. Furthermore, the Company keeps the suppliers' information confidential and does not use such information for any inappropriate benefit.
- **Customers:** The Company recognizes that its customers are a key driver of success. The Company always protects customers' interests, is attentive and ultimately responsible for the needs of the customers with regard to service, and in setting and maintaining steady standards of service. The customers' confidential information is used exclusively for concerned business, without revealing it unless required by laws, regulations, or with consent from the information owners, including issues related to marketing, market power exercises, price setting, and details of services, quality and safety.
- **Competitors:** The Company acts within the rules of fair trade and refrains from making any attempt to damage trade competitors' reputations with false allegations against their companies. The Company does not make any attempt to access competitors' confidential information or use dishonest or inappropriate means for any purpose. The Company is proactive in sharing information that can benefit the shipping industry as a whole and contribute to sustainable economic, social, and environmental development of society.

In 2022, there were no disputes or lawsuits between the Company and its competitors.

- **Social Responsibility to the Community:** The Company recognizes its responsibility to the community and is often involved in supporting community activities and being attentive to the consequences of the Company's conduct that affect the people more than what the laws require, including making efforts to absorb social accountability. The Company has provided a separate detailed report under the subject of "**Sustainable Development**" of this annual report.
- **Regulators:** Apart from the various regulations which the Company's ships are subjected to and explained hereunder in this Report, on a corporate level, the Company recognizes that the Government is a regulator who is in control of the Company's operations in respect of the fairness and transparency of trading. The Company recognizes the significance of compliance with related laws and regulations and has included its review of compliance as one of the duties of the internal audit department headed by a qualified internal auditor. The internal audit department provides an annual compliance review report of related laws and regulation and directly report to the Audit and Corporate Governance Committee as explained under the "**Audit and Corporate Governance Committee Report**" of this annual report.
- **Environment:** The Company recognizes that shipping operations if conducted irresponsibly may affect the environment, particularly in terms of air and/ or water pollution.

As part of its environmental protection policy, the Company is committed to the protection and conservation of the environment and ranks environmental considerations equally with commercial and operational factors in managing its operations and implements this policy. The Company has provided a separate detailed report under the subject of "**Sustainable Development**" of this annual report detailing the steps taken by the Company and its compliance with various regulations/norms.

- **Respect for Human Rights Principles:** The Company requires that all of its Directors, management, and employees strictly respect human rights laws including those that relate to forced labor or child labor. The Company does not tolerate any violations thereof. All stakeholders are treated fairly and in a dignified manner, without any discrimination on the basis of national origin, race, gender, age, skin color, religion, physical condition, status, or birth. The Company also promotes the monitoring of human rights compliance within the Company and encourages business partners, suppliers, and other relevant parties in the supply chain of the Company and its controlled entities in Thailand and overseas to conduct business in a manner that respects human rights.

In 2022, the Company did not receive any complaints or reports on human rights issues.

- **Ethics for Intellectual Property Rights:** The Company requires that all of its directors, the management, and employees respect the intellectual property rights of others, whether in relation to trademarks, patents, copyrights, classified commercial information, or other stipulated categories of intellectual property, such as using only licensed software that has been inspected and installed by the Company's information technology department, and encouraging our employees to ensure that the application of research findings or other data in their work does not constitute a violation of other people's intellectual property rights.

3. Disclosure and Transparency

The Company has tightened procedures to take care of important information to be disclosed, including both financial and non-financial statements and reports. The information is disclosed correctly, accurately, on a timely basis and transparently through the proper channels that users can conveniently access.

3.1 Board of Directors' Report

The Board of Directors is responsible for the Company and its subsidiaries' financial statements and financial information presented in this annual report. The report on the Board of Directors' responsibilities for financial statements is presented along with the report of independent auditor and audited financial statements in this annual report.

3.2 Relations with investors

The Board of Directors recognizes the importance of accurate, complete and transparent disclosure of financial information and general information, which may affect the Company's share price. The Company provides the information through the SET, the Company's website and through regular newsletters and communications from the Managing Director. The Company has established an investor relations division to disseminate information to shareholders and other stakeholders including investors and analysts so as to foster a deep understanding of the Company and its business. The corporate information and performance data is posted in both Thai and English on the Company's website and through various media.

The following three channels to contact investor relations

- By email: ir@preciousshipping.com
- By fax: +662-236-7654
- By contact IR persons: information of IR persons is hereabove in "**Organization Structure**" of this report

The Company has joined many events for press/analyst briefings, which are attended personally by the Managing Director and/or the Executive Directors. Some of the major events in which the Company participated in the last three (3) years are enumerated herein as under:

Year / Times	Analyst meetings / Communications	Investor meetings / Communications	Presentations Roadshows	Press and TV interview	Total
2022	29	15	9	11	64
2021	69	19	11	14	113
2020	29	26	10	4	69

4. Responsibilities of the Board

4.1 Explicit responsibilities of the Board of Directors

The Board of Directors performs its duties and carries on the business of the Company in conformity with applicable laws, the Company's objectives and the memorandum and articles of association, as well as the resolutions of the shareholders' meetings. The Board shall be involved in any matters that may have a significant impact on the Company's business. The following matters require decision or approval from the Board:

- Designation of the authorized Directors to bind the Company.
- Appointment of Executive Directors and members of the sub committees, in the manner prescribed by law.
- Authorizing the sale or mortgage any of the Company's immovable properties, to let any of the Company's immovable properties for the period more than three (3) years, to make a gift, to compromise, to file complaints to the court and to submit the dispute to the arbitration.
- Approval of annual and quarterly financial results.
- Approval of the vision and mission statement, core values and code of business conduct.
- Approval of major decisions in respect of the Company's business direction and policies.
- Decision on major investments and contracts with significant impact to the Company.
- Any matters and/or transactions within the ambit of the Board pursuant to the memorandum and articles of association of the Company, the Public Limited Companies Act B.E. 2535, and other relevant laws and regulations.

The Board of Directors has clearly defined and demarcated duties and responsibilities between each committee as mentioned under the **"Organization Structure"** section of this annual report.

4.2 Board Diversity

The Company developed board skill matrix in order to create a wide range of expertise in line with the Company's business operations. The Company considers increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and sustainable development. The Board members represent diversity from a range of perspectives including gender, age, educational background, skills, knowledge, and professional experience. And for the selection of new directors, the Board of Directors will consider the candidate's qualifications, having regard to the mix of skills, diversity and in line with the Company's strategic direction.

The number of members on the Board of Directors is commensurate with the size and complexity of the Company's business. As of 31 December 2022, there are eleven (11) Directors on the Board of Directors of the Company which consists of three (3) Executive Directors who hold executive roles and are full-time employees of the Company and eight (8) Non-Executive Directors, four of whom are independent directors (36% of the Board). Moreover, the Board consists of four (4) female directors (36% of the Board).

4.3 Succession Plan

The Board of Directors shall ensure a systematic nomination for the proper candidate to replace a Director or top executive position suitably in line with the succession planning policy. The Nomination Committee is appointed to propose the appointments of new Directors and key executives (Managing Directors and Executive Directors) to the Board by considering the proper candidate both from internal and external candidates. The Nominating

Committee is responsible for considering candidates' skills, experience, and specific qualifications for the best interest of the Company. To support its succession planning process, in 2022 the Company has hitherto been quite successful in sourcing and retaining such highly skilled and qualified personnel. The Company continues to take a number of initiatives including establishing a detailed succession plan to attract and retain talent. Moreover, the Company has prepared and enhanced critical mechanisms, for instance, knowledge management, succession plan management and leadership development program as part of our management development and succession planning cycle.

4.4 Controlling System and Internal Audit

The Company recognizes the importance of internal control systems on an operational level to ensure that the operations are conducted efficiently. Duties of operations and management level personnel are laid down clearly. There is a proper level of control maintained on the utilization of the Company's property/assets for the highest benefit of the Company and there is clear segregation between the operations units, control units and assessment units for the purpose of maintaining appropriate checks and balances. Moreover, an internal control system for the financial and accounting functions of the Company is clearly set up which allows adequate reporting to the relevant management.

The Company has a robust internal audit department in order to ensure that the key operations and financial activities are conducted efficiently under the guidelines and relevant laws. Moreover, to ensure that the Company has complied with laws and regulations relating to the business of the Company, the internal audit department conducts regular checks. Internal auditors report directly to the Audit and Corporate Governance Committee on all matters, in order to make the internal audit department completely independent of the management.

Moreover, an internal control system for the financial and accounting functions of the Company is clearly set up which allows adequate reporting to the relevant managers to achieve the following objectives:

1. Efficient and effective operations, including skillful use of resources for the best benefit of the Company.
2. Accurate, reliable and prompt financial reporting.
3. Full compliance with the Company's policies, laws and regulations.

The Board of Directors recognizes the importance of risk management and is responsible directly for the risk management of the organization with the objectives to support the work performance of the management of the Company to be efficient and effective and to achieve the business objectives. The Board of Directors has specified the Company's policy on risk management and internal control on the website of the Company and under the topic "**Internal Controls**" of this annual report.

The Company also established the legal and compliance department to review and evaluate compliance issues/concerns within the organization in order to mitigate legal risk and to ensure the Board of Directors, management, and employees are in compliance with the rules and regulations of regulatory agencies, that Company policies and procedures are being followed, and that behavior in the organization meets the Company's standards of conduct.

Monitoring the Compliance with policies and guidelines of Corporate Governance

The Board of Directors defines the duties and responsibilities for the Directors, management, and employees to acknowledge and comply with the policies and terms indicated in the Company's corporate governance policy and business ethics and code of conduct. Moreover, the Company put in place a whistleblowing policy and the internal audit processes as mechanisms to monitor compliance to assure that all operations abide by such policy and principles. If the Directors, management, and employees violate these principles, they will face strict disciplinary punishment.

1. Conflict of Interest

The Board of Directors, through the Audit and Corporate Governance Committee, has stipulated a policy outlining the process through which transactions with a potential conflict of interest are approved:

Policy on Conflict of Interest

The Company has set up an important policy concerning the conflict of interests and related transactions for Directors, management, and employees as laid down under the following guidelines:

- Avoid any transaction related to oneself, which may lead to a conflict of interest with the Company.
- If it is necessary to carry out such transaction for the Company's benefit, conduct it as if it is a transaction done with a third party. However, any such transaction must be fully disclosed and approved by the relevant authority within the Company in advance.
- Furthermore, Directors and management, or employees having an interest in a transaction must not be involved in its approval process.
- If a transaction is considered as a related party transaction under the SET notification, Director, management, and employees must strictly comply with the rules and procedures regarding information disclosure by listed companies for such transactions.
- If a Director, management, employee or a member of their family is involved with or becomes a shareholder in a business in competition with the Company or any other business that may cause a conflict of interest with the Company, he/she must inform the Board in writing.
- If a Director, management, and employee become a Director, partner, advisor or participant in any other capacity in another company or business organization, such position must not conflict with the Company's business or that person's direct responsibilities in the Company.

The Company has implemented measures to prevent conflicts of interest as follows:

- Directors disclosing their interests and those of their related parties to the Board.
- Directors reporting their ownership of Company's shares and warrants to the Board regularly.
- Director/top executive, who has a conflict of interest on a particular issue, is prohibited from participating in the decision-making process related to that issue. Normally a Director/top executive, who has a conflict of interest on an issue, will leave the meeting and join back once the issue has been discussed and a decision on the same is made.
- Directors and management team disclose and report their conflict of interests, including dealings with their relatives, if any, to the Company for the Company's use in complying with the regulation about connected transactions. Such report on interest is also useful in monitoring their adherence to their duties, by the following practices;
 - A new Director/management submits the "Report on Conflict of Interest Transaction" form within thirty (30) days after appointment.
 - Thereafter, if there is a change, Director/management submits the updated "Report on Conflict of Interest Transaction" form immediately or no later than seven (7) working days from the transaction date.
 - The Company secretary submits a copy of the report on interest to the Chairman of the Board of Directors and the Chairman of Audit and Corporate Governance Committee within seven (7) working days from the date on which the Company has received such a report.
- All management, and employees are required to report potential conflicts of interest on an annual basis. If a conflict of interest occurs, the person must promptly inform their supervisor using the electronic form for acknowledgment and further action.
- In 2022, 100% of management and employees submitted their annual conflict of interest disclosure reports through electronic forms.

Potential conflict of interest transactions

Any transaction which could lead to a potential conflict of interest and/or a related party transaction is considered very carefully by the Board of Directors with a view to full compliance with the relevant rules and regulations of the SET and the SEC, apart from compliance with the internal policies and guidelines set up by the Company. Moreover, such transactions are entered into strictly on an “Arms-Length” basis. The terms and conditions of such transactions are always in compliance with generally acceptable, standard commercial terms and conditions and appropriate disclosure regarding the details of the transactions viz. value, counter-party, reason and necessity of the transaction is made in this annual report.

In addition to the above, the Audit and Corporate Governance Committee and the internal audit department prepared the annual audit plan to review transactions that may cause conflict of interest. For the year 2022, the internal auditors audited the aforesaid transactions and reported the results thereof to the Audit and Corporate Governance Committee in the Audit and Corporate Governance Committee’s meeting No. 1/2023 held in February 2023. The Audit and Corporate Governance Committee found that the Company has a proper policy for approval and prevention of abuse in such transactions. The existing conflict of interest transactions are made only on the basis of proper comparison of market prices and for the benefit of the Company. Adequate disclosures of all such material transactions have been made in this annual report.

Moreover, the internal audit department has reviewed the compliance of the Company in respect of the Notifications of the SET Re: The Disclosure of Information and Acts of Listed Companies Concerning Connected Transactions 2003 as amended from time to time and Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions as amended from time to time including the circular of the SEC about the recommended practice to be followed under section 89/12 (1) of the Securities and Exchange Act (No.4) B.E.2551. The details of the connected transactions have been explained under the topic “**Connected Transactions**” of this annual report. The results of the review have been reported to the Board of Directors of the Company. The Board of Directors of the Company is of the opinion that such transactions are fair and for the full benefit of the Company.

2. Reporting changes in holding of the Company’s shares/warrants

To prevent abuse of inside information, all Directors and management team must report any changes in their (and that of their spouses and minor children) holding of the Company’s shares and/or warrants to the Company and the Office of the SEC within three (3) business days from the date of trading/transfer of the Company’s shares and/or warrants (as the case may be). The changes in Company’s shares and warrants of the Directors are reported to the Board of Directors meeting every quarter.

3. Insider Trading Controls

Precious Shipping Public Company Limited has a policy of disseminating all significant information (both financial and non-financial) to shareholders, investors and the general public on a timely basis. Strong internal controls are in place to ensure that information released is comprehensive and accurate.

The Board is committed to comply with rules and regulations in relation to the disclosure of significant information in a timely manner and with full transparency. Monitoring the use of insider information is the responsibility of the Directors, and management team who are obliged to strictly monitor and prevent any leaks of the Company’s confidential and privileged information including information not yet revealed to the public or any data that might affect the Company’s operations or share price. This includes the prohibition on use of Company’s information obtained from directorships or employment for personal benefit or conducting business or other activities in competition with the Company. The Company has documented these principles and provided guidelines in the business ethics and code of conduct manual which is disclosed on the website of the Company under the Corporate Governance section.

Pursuant to section 59 of the Securities and Exchange Act B.E. 2535, all Directors and management team members have signed and acknowledged that they are required to report the changes in their shareholding to the company secretary and the Office of the Securities and Exchange Commission within three (3) business days from the date of trading/transfer of the Company’s shares and/or warrants (as the case may be).

Such reporting shall extend to any change in shareholding of any Director/Management team member's: (i) spouse, (ii) cohabiting partner, (iii) minor children, and (iv) any juristic person in which such Director/Management team member holds more than 30% of the total voting rights of such juristic person (including that of his/her spouse, cohabiting partner and minor children), ((i) to (iv) referred to as "relevant persons").

The Company secretary reports to the Board of Directors at the Board of Directors meetings every quarter on any changes in the shareholding of Board members and top executives.

In accordance with the Company's corporate governance policy, the Company does not allow the following persons to trade/transfer the Company's shares/warrants (as the case may be) during the period of one (1) month before and two (2) days after any financial announcement of the Company and also at least five (5) days before the Company makes any significant announcement (known as the "silent period").

- All Directors and management team members (including their relevant persons); and
- The Company's personnel in the finance and accounts department, the legal department, the internal audit department, the information system department and the investor relations department who are close to the relevant inside information of the Company.

The head of legal and compliance regularly notifies the above personnel of the silent period in advance by email and monitors compliance therewith.

According to the Company's corporate governance policy, all Directors and management team members are encouraged to inform the Company their intention (including that of their relevant persons) to trade/transfer the Company shares/warrants (as the case may be) at least a day in advance.

In addition to the above, the Company's corporate governance policy sets out an investor relation policy which stipulates that for a period of two (2) weeks prior to the planned release of financial reports (known as the "silent" or "quiet" period), the spokesperson as a representative of the Company will not discuss matters related to the Company's future financial performance or expectations with financial media, analysts and investors.

During the year, the above policy has been fully complied with and no non-compliance cases have been observed.

4. Anti-Corruption

Policy on preventing corruption and bribery

The Company has a policy prohibiting all forms of bribery or corruption, either directly or indirectly to advance its business interests or those of its associates. The Company has a zero-tolerance policy for fraudulent and/or corrupt behavior and takes corruption and bribery transactions, if any, very seriously. Any violation of this policy is regarded as a serious matter by the Company and will result in disciplinary action, including termination, consistent with local law.

To affirm its resolve to combat corruption, the Company signed a Declaration of Intent of the Thai Institute of Directors' Private Sector Collective Action Coalition Against Corruption (CAC) in 2018, whereby the Company vowed to adhere to the coalition's aim to fight corruption in all forms. On 5 August 2019, the Company was officially certified as a member of the CAC.

The Company implemented the "No Gift Policy" in accordance with the suggestion from the CAC, whereby the Company requested all business partners to not give any gifts for any occasion to any of its personnel, including its directors, management, and employees at all levels. The Company continued with this practice in 2022. This no gift policy reinforces the Company's compliance with the anti-corruption policy and good corporate governance principles.

In 2022, the Company continued to maintain high ethical standards, with a view to upholding its position against any form of bribery and corruption. The continual activities throughout the year are as follows:

- Provided a training program for all Directors, management, and employees in line with its code of conduct and corporate governance policy and anti-corruption policy.

- A regular bribery and corruption risk assessment to review the mitigation measures and ensure they are appropriate.
- Prescribes strict guidelines for preventing corruption and bribery such as the guideline for giving and receiving gifts and gratuities, transactions with government, etc. Details of this policy and guidelines are presented in the Company's business ethics and code of conduct and anti-corruption policy which are informed to all the employees and posted on the Company's website.
- A regular review of the internal control systems and procedures to ensure they are effective in countering bribery and corruption.
- A monitoring system to ensure that the policies and procedures are effective.

Moreover, the Company has established channels for reporting any misconduct, fraudulent act or corruption and provides protection and remedies for any person who files a complaint or cooperates in the investigation of the charge.

5. Whistleblowing Policy

To ensure fair treatment of all stakeholders under the code of conduct, the Company has set up a channel to contact the Board of Directors directly (without passing through the management of the Company) for any business suggestions, complaints, or recommendations indicating impact or risks of impact on stakeholders arising from its business or from wrongful action, or violation of the code of conduct, and complaints for special cases like immoral/dishonest acts of management, breach of code of conduct, illegal acts, etc. Any employee or any other stakeholder is accordingly welcome to send a message by email or mail a letter to Khun Chaipatr Srivisarvacha, Independent Director and Chairman of the Board of Directors, at the following address:

By mail:

Mr. Chaipatr Srivisarvacha

217/79 Crystal Garden Condominium, Soi Sukhumvit 4, Sukhumvit Road, Klongtoey Bangkok 10110 Thailand

By e-mail:

chaipatr@capmaxx.co.th

The Complaint handling procedure

When the whistle is blown or complaint is filed, the Company will collect evidence, evaluate and formulate measures to relieve damages caused to the affected person(s) by considering the overall impact. Afterward, the person responsible for the case will follow up results of the relief and report to the appropriate staff and the filer of the complaint. Results of action will be reported to the Chairman of the Board of Directors, the Chairman of Audit and Corporate Governance Committee and/or all relevant Directors, respectively, depending on each case.

Confidentiality

The Company recognizes that some individuals who observe a breach and wish to report it will seek to do so in confidence under this policy. In principle, the Company will handle all reports confidentially and equally expects employees reporting a breach keeping this confidential. Confidentiality will always be maintained to the largest extent possible. Therefore, the Company will protect the identity of an employee who discloses a breach according to this policy.

The Company does however acknowledge that in some circumstances the investigation process may reach a point where the employee who reported the breach is required to make a statement or provide evidence. In such circumstances, where finding the truth would be hindered by maintaining complete confidentiality, the Company cannot guarantee complete confidentiality to the reporting employee. The Company will maintain confidentiality as much as possible in such situations. Finally, the Company will not disclose employees' identities without his/her knowledge and consent.

Protection of Whistleblower

In order to protect the rights of whistleblowers, the Company will not reveal the name, address, picture or other information of the whistleblower or those who participated in the investigation. No whistleblower who in good faith reports a violation of the code of conduct or files a complaint or expresses concern involving matters covered by the whistleblowing policy shall suffer harassment, retaliation or adverse employment consequences as a result of such a report. Persons affected by the damage will be relieved with procedures that are appropriate and fair. An employee who retaliates against someone who has reported a violation, complaint or concern in good faith is subject to disciplinary action up to and including termination of employment.

The Complaint handling procedure and guidelines to protect whistleblowers have been presented in the **“Business Ethics and Code of Conduct”** which is informed to all employees and posted on the Company’s website.

To prevent all forms of corruption from occurring, a risk assessment was conducted to identify potential corruption risks. The Company communicated with its employees and business partners about the Company’s business ethics and code of conduct and practice to raise awareness and encourage the prevention of corruption.

Penalties for offenses

Penalties for offenses shall be in accordance with the Company regulations and/or applicable laws.

Monitoring the Implementation of Anti-Corruption Measures

The Board of Directors has assigned the Audit and Corporate Governance Committee to monitor actions concerning anti-corruption measures. The Company secretary, as this Committee’s secretary, gathers such outcomes to annually report to the Committee and the Board of Directors and summarized for the shareholders in the annual report of violation.

In 2022, the Company did not engage any significant dispute with any stakeholders. There were zero whistleblowing incidents and zero violations of our ethical principles.



AUDIT AND CORPORATE GOVERNANCE COMMITTEE'S REPORT

TO THE SHAREHOLDERS

The Audit and Corporate Governance Committee of Precious Shipping Public Company Limited comprises of three independent directors. Mr. Kamtorn Sila-On is Chairman of the Committee which also includes Professor Dr. Pavidan Pananond and Ms. Pensri Suteerasarn. During the year 2022, Ms. Pensri Suteerasarn was appointed as the Audit and Corporate Governance Committee member by a resolution of the Board of Directors in the Board meeting No. 3/2022 held on 4 April 2022 in replacement of Ms. Lyn Yen Kok who excused herself from being nominated for re-election as the Company's Director at the Annual General Meeting of Shareholders No. 1/2022.

The Audit and Corporate Governance Committee has performed its duties and responsibilities with prudence, transparency, independence and in compliance with the Audit and Corporate Governance Committee Charter ("Charter") approved by the Board of Directors and the requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), which are summarized as follows:

Review of financial reports

In the year 2022, meetings of the Audit and Corporate Governance Committee have been held through the year to review consolidated financial statements of the Company and its subsidiaries. Meetings with external auditor were also held every quarter for discussions of the auditor's report, financial statements and recommendations of the relevant accounting standards. The Audit and Corporate Governance Committee is of the opinion that the Company has a proper financial reporting process to disclose its financial information, in which the financial statements are correct, sufficient and credible.

Internal audit and internal control systems

The Audit and Corporate Governance Committee has considered the independence of the internal audit department, including the chain of command, in order to establish the credibility and independence of the internal audit department. The Audit and Corporate Governance Committee has also discussed with internal auditors the scope of internal auditing, their responsibilities and functions and approved the internal audit plan for the internal audit department. In the year 2022, the internal audit department reviewed:

- the risk assessment covering commercial, financial, technical and operational risks;
- the self-evaluation tool for countering bribery following the guidelines published by the Private Sector Collective Action Coalition Against Corruption (CAC);
- the corruption risk assessment;
- internal control activities of all departments;
- the operations of some departments;
- conflict of interest transactions; and
- compliance with regulations and laws relating to the business of the Company, such as Public Limited Companies Act, Revenue Code, Thai Vessels Act, Securities and Exchange Act, including regulations and notifications of the SET and the SEC.

Internal auditors also followed up on the results of the aforesaid review. The results of the review and the recommendations were discussed with the related staff and management and reported to the Audit and Corporate Governance Committee.

The Audit and Corporate Governance Committee is of the opinion that the Company has proper and adequate internal control systems and there are no significant deficiencies.

Compliance with laws and regulations

The Audit and Corporate Governance Committee is of the opinion that the Company has been in compliance with laws and regulations to which the operations of the Company are subject. Principally, these laws are the Public Limited Companies Act, Revenue Code, Thai Vessels Act, Securities and Exchange Act including regulations and notifications of the SET and the SEC.

Review of Connected Transactions

The Audit and Corporate Governance Committee values the importance of review of connected transactions as well as those transactions that may involve conflicts of interest under the laws and regulations of the Stock Exchange of Thailand and the Securities Exchange Commission, and any applicable laws, including compliance with the internal policies and guidelines set up by the Company. Adequate disclosures have also been made in the financial statements and under the topic “**Connected Transactions**” in this annual report.

Internal auditors and external auditors have reviewed the connected transactions and reported the results of their review to the Audit and Corporate Governance Committee who in turn have discussed and reviewed the transactions in their Audit and Corporate Governance Committee meeting No. 1/2023 held on 9 February 2023. The result of the review for the year 2022 has been discussed in the Board of Directors meeting No. 1/2023 held on 10 February 2023. The Audit and Corporate Governance Committee and the Board of Directors are of the opinion that the transactions entered solely based on the market prices, fair, and for the best interest of the Company.

Review of the Company’s Corporate Governance

The Audit and Corporate Governance Committee reviews and compares guidelines for the Company’s Corporate Governance with best practices followed by international organizations and presents its recommendations to the Board of Directors. The Audit and Corporate Governance Committee also conduct an annual review of corporate governance self-assessment through a questionnaire following the SET and the Thai Institute of Directors (IOD) guidelines. The scores of corporate governance self-assessment fall in the level of “Very Good”.

For the year 2022, the Company has been classified by the IOD in conjunction with the SET and the SEC as a Company with “Excellent” corporate governance. Further, the Company was included in the Stock Exchange of Thailand’s list of Thailand Sustainability Investment (THSI) stocks, which among other things, is a recognition that the Company manages its business with transparency, in line with good corporate governance principles. Additionally, the Company received the “ASEAN Asset Class PLCs” award, an accolade granted to companies with an ASEAN CG score of at least 97.5 in the 2021 ASEAN Corporate Governance Scorecard. The ASEAN Corporate Governance Scorecard has been developed by the ASEAN Capital Markets Forum (ACMF) in partnership with the Asian Development Bank (ADB) to raise corporate governance standards and practices of ASEAN publicly listed companies.

Meetings of the Audit and Corporate Governance Committee

Normally, each Audit and Corporate Governance Committee Meeting is held before a Board of Directors’ meeting, so that discussions with internal auditors and external auditors can be carried out without management’s presence in such discussions and the minutes of the Audit and Corporate Governance Committee can also be sent to the Board of Directors for acknowledgment, discussions and receiving suggestions from the Board.

The members of the Audit and Corporate Governance Committee regularly have formal and informal discussions with internal auditors in connection with the results of the various areas of review undertaken by internal auditors. In the year 2022, Audit and Corporate Governance Committee held 4 meetings (2021: 4 meetings). The record of attendance of the members of the Audit and Corporate Governance Committee is summarized as follows:

Name	Number of attendance/Total meeting (times)	
	2022	2021
1. Mr. Kamtorn Sila-On	4/4	4/4
2. Professor Dr. Pavida Pananond	4/4	4/4
3. Ms. Lyn Yen Kok	1/1	4/4
4. Ms. Pensri Suteerasarn	3/3	-

Selection and proposal for appointment of the Company’s external auditors

Audit and Corporate Governance Committee meeting No.1/2023 held on 9 February 2023 considered the appointment of auditors and resolved to propose for shareholders’ approval, the appointment of any one of the following auditors of EY Office Limited as the auditor of the Company for the years 2023.

1. Mr. Vorapoj Amnauyanit (Certified Public Accountant (Thailand) No. 4640)
2. Mr. Termphong Opanaphan (Certified Public Accountant (Thailand) No. 4501)
3. Mr. Khitsada Lerdwana (Certified Public Accountant (Thailand) No. 4958)
4. Mrs. Ponnard Paocharoen (Certified Public Accountant (Thailand) No.5238)

All the above auditors are qualified to conduct the audit and express an opinion on the financial statements of the Company. None of the above auditors has any relationship with or is an interested party in the Company and its subsidiaries, management, major shareholders or related persons of such persons. In the event that any of the above auditors is not available, EY Office Limited is authorized to nominate a qualified and competent auditor from EY Office Limited to conduct the audit.

The Audit and Corporate Governance Committee is of the opinion that EY Office Limited is a reputable independent audit firm and has shown satisfactory performance according to past records. EY Office Limited has been the auditor of the Company and Thai subsidiaries since 2001.

The meeting also approved to propose for shareholders' approval, details of the audit fees and fees for other services (non-audit related) of the Company and subsidiaries for the year 2023 charged by EY Office Limited are as follows:

Details	Proposed for 2023	2022
Audit fees for the Company	Baht 2.15 million	Baht 2.15 million
Audit fees for Thai subsidiaries and 1 foreign subsidiary	Baht 2.29 million	Baht 2.42 million
Fees for other services:		
• Fee for certification purposes by BOI	Baht 0.13 million	Baht 0.15 million
• Fees for reviewing the accounts of certain foreign subsidiaries (for consolidation purpose)	Baht 0.91 million	Baht 0.91 million
Total	Baht 5.48 million	Baht 5.63 million

The Audit and Corporate Governance Committee self-assessment

The Audit and Corporate Governance Committee conducted a self-assessment for 2022 as per IOD guidelines, the score of which fell within the "Excellent" level. The Audit and Corporate Governance Committee intends to use this result as an indicator to further improve its performance.

Concluding Remark: Throughout 2022, the Audit and Corporate Governance Committee received full cooperation from all the Directors, management team and employees of the Company, as well as from the external auditors, in order to fulfill its roles and responsibilities as assigned by the Board of Directors and in compliance with its Charter and the relevant laws and regulations. Despite the COVID-19 pandemic, the Company was able to prepare and disclose the relevant financial statements within the timeline required by the SET and the SEC without requesting an extension of time.

The Audit and Corporate Governance Committee is of the opinion that the Company's financial statements of 2022 and the disclosure of information therein are complete, reliable and consistent with generally accepted accounting principles and financial reporting standards. The Company has adequate risk management, appropriate internal audit and internal control systems. The Company also complies with its internal policies, good corporate governance, relevant laws and regulations.

**For and on behalf of the Audit and Corporate Governance Committee of
Precious Shipping Public Company Limited**



Mr. Kamtorn Sila-On

Chairman of the Audit and Corporate Governance Committee

10 February 2023



THE EXECUTIVE BOARD OF DIRECTORS' REPORT

TO THE SHAREHOLDERS

In 2022, the Executive Board of Directors of Precious Shipping Public Company Limited comprised of three members appointed by the Board of Directors viz., Mr. Khalid Moinuddin Hashim as Managing Director, Mr. Gautam Khurana as Director (Finance) and Mr. Prashant Mahalingam as Director (Technical).

The Executive Board of Directors held 6 meetings during the year 2022 with 100% attendance. The Executive Board put in its best efforts with due care, prudence, independence and thoroughness in compliance with its mandate to perform its role as assigned by the Board of Directors, which is summarized as follows:

The Executive Board of Directors has monitored and reviewed strategic objectives, financial plans and key policies of the Company which were submitted to the Board of Directors for approval. The Executive Board of Directors has managed the Company's business and has also reported on the Company's operating results as well as on other work in progress to achieve the Company's objectives.

The Executive Board of Directors conducted a self-assessment for 2022 as per the SET guidelines, the score of which fell within the "Excellent" level. The Executive Board of Directors intends to use this result as an indicator to further improve its performance.

**For and on behalf of the Executive Board of Directors of
Precious Shipping Public Company Limited**

Mr. Khalid Moinuddin Hashim

Managing Director

Mr. Gautam Khurana

Executive Director

10 February 2023



SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE'S REPORT

TO THE SHAREHOLDERS

The Sustainability and Risk Management Committee of Precious Shipping Public Company Limited comprises of three Independent Directors and the Managing Director. Mr. Kamtorn Sila-On, Independent Director, is the Chairman of the Committee which also includes Professor Dr. Pavida Pananond, Ms. Pensri Suteerasarn, and Mr. Khalid Moinuddin Hashim. During the year 2022, Ms. Pensri Suteerasarn was appointed as a Sustainability and Risk Management Committee member by a resolution of the Board of Directors in the Board meeting No. 3/2022 held on 4 April 2022 in replacement of Ms. Lyn Yen Kok who excused herself from being nominated for re-election as the Company's Director at the Annual General Meeting of Shareholders No. 1/2022.

In 2022, the Sustainability and Risk Management Committee held four meetings, each with 100% attendance. The Sustainability and Risk Management Committee put in its best efforts with due care, prudence, and thoroughness in compliance with its mandate to perform its roles as assigned by the Board, which is summarized as follows:

- The Committee reviewed the sustainability policy and strategy to ensure that the Company is moving in the right direction to achieve sustainable and resilient operations.
- The Committee monitored the Company's performance and sustainable development activities to drive the Company's operations to deliver tangible results under the Company's sustainability strategy. In addition, they reviewed the Company's preparedness to respond to global sustainability trends while maintaining the Company's competitiveness.
- The Committee reviewed the risk management policy and oversaw the risk management process to ensure that the risk mitigation strategies in place are adequate to support the Company's operating strategies and are appropriate for the current situation.
- The Committee monitored core business activities and the shipping industry on a regular basis to identify risk factors including business risks, financial risks, operational risks, cybersecurity risks, and ESG risks that could affect the Company's operations.
- The Committee evaluated the potential impact on the Company as well as the mitigation measures that are in place, to minimize the likelihood and impact of an adverse event. Measures that are put in place as well as adverse events, if any, are reported to the Board of Directors.
- The Committee conducted a self-assessment for 2022 as per the Thai Institute of Directors Association (IOD) guidelines, the score of which fell within the "Excellent" category. The Committee intended to use this result as an indicator to further improve its performance.

The Sustainability and Risk Management Committee strives to perform its duties by developing a comprehensive corporate risk management system to enhance the efficiency and effectiveness of the Company's operations.

**For and on behalf of the Sustainability and Risk Management Committee of
Precious Shipping Public Company Limited**

Mr. Kamtorn Sila-On

Chairman of the Sustainability and Risk Management Committee

10 February 2023



NOMINATION COMMITTEE'S REPORT

TO THE SHAREHOLDERS

The Nomination Committee of Precious Shipping Public Company Limited comprises of three independent directors. Ms. Pensri Suteerasarn is the Chairperson of the Nomination Committee and Mr. Kamtorn Sila-On and Professor Dr. Pavida Pananond are Nomination Committee Members. During the year 2022, Professor Dr. Pavida Pananond was appointed as a Nomination Committee member by a resolution of the Board of Directors in the Board meeting No. 3/2022 held on 4 April 2022 in replacement of Ms. Lyn Yen Kok who excused herself from being nominated for re-election as the Company's Director at the Annual General Meeting of Shareholders No. 1/2022.

In 2022, the Nomination Committee held three meetings with 100% attendance. The Nomination Committee put in its best efforts with due care, prudence, independence and thoroughness in compliance with its mandate to perform its roles as assigned by the Board, which is summarized as follows:

For the 2022 Annual General Meeting (AGM), the Company offered minority shareholders the opportunity to nominate a qualified individual to be elected as a Director through the Company's website. The nomination period was from 1 October 2021 to 31 December 2021. Since there were no candidates proposed to the Nomination Committee, the Nomination Committee reviewed the Directors whose terms expired by rotation in accordance with the Company's Articles of Association. The Nomination Committee considered a range of diverse perspectives which are aligned with the Company's strategic directions, including gender, age, educational background, skill, knowledge and experience (including past performance as Director) of those nominated Directors. At the Annual General Meeting of Shareholders No.1/2022 held on 4 April 2022, the shareholders approved the reappointment of the Directors whose terms expired by rotation as proposed by the Board of Directors, on the recommendation of the Nomination Committee.

The Nomination Committee considered a proposal to appoint a candidate for the Executive Board of Directors to replace the Executive Director who will retire from the Company with effect from 31 December 2022. The committee members considered whether the candidate possesses qualifications as well as the knowledge, competencies, and experience covering the Group's business operations before making a recommendation to the Board.

The Nomination Committee conducted a self-assessment for 2022 as per the Thai Institute of Directors Association (IOD) guidelines, the score of which fell within the "Very Good" level. The Nomination Committee intends to use this result as an indicator to further improve its performance.

**For and on behalf of the Nomination Committee of
Precious Shipping Public Company Limited**

Ms. Pensri Suteerasarn

Chairperson of the Nomination Committee

10 February 2023



REMUNERATION COMMITTEE'S REPORT

TO THE SHAREHOLDERS

The Remuneration Committee of Precious Shipping Public Company Limited comprises of two Independent Directors and one Non-Executive Director. Mr. Kamtorn Sila-On, Independent Director, is Chairman of the Committee which also includes Professor Dr. Pavida Pananond and Mr. Kirit Shah.

For 2022, the Remuneration Committee held three meetings with 100% attendance. The Remuneration Committee put in its best efforts with due care, prudence, independence and thoroughness in compliance with its mandate to perform its roles as assigned by the Board, which is summarized as follows:

The Remuneration Committee considered the 2022 remuneration of Directors and Senior Management after factoring in the financial status and performance of the Company and also after comparing it with remuneration at other listed transportation companies in Thailand and abroad. At the Annual General Meeting of Shareholders No.1/2022 held on 4 April 2022, the shareholders approved the remuneration of the Directors for the year 2022 as proposed by the Board of Directors, on the recommendation of the Remuneration Committee.

The Remuneration Committee conducted a self-assessment for 2022 as per the Thai Institute of Directors Association (IOD) guidelines, the score of which fell within the "Very Good" level. The Remuneration Committee intends to use this result as an indicator to further improve its performance.

**For and on behalf of the Remuneration Committee of
Precious Shipping Public Company Limited**

Mr. Kamtorn Sila-On

Chairman of the Remuneration Committee

10 February 2023



INTERNAL CONTROLS

Precious Shipping Public Company Limited recognizes the importance of Internal Control Systems on an operational level to ensure that the operations are conducted efficiently within risk parameters acceptable to the Company and prevailing business circumstances for the activities of each of the individual departments. To ensure suitable control measures in keeping with prevailing circumstances, environment, and risks, the internal audit department regularly monitors the internal controls in place and the internal control practices. The Company has implemented Internal Control Systems in accordance with the recommendations of the Committee of Sponsoring Organizations of the Treadway Commission 2013 (COSO 2013) to achieve all three objectives of internal control: efficient and effective operations, credible financial and other reports, and compliance with laws and regulations, consisting of five key components as follows:

1. CONTROL ENVIRONMENT

The Company has set up a proper control environment and has accordingly put in place a Corporate Governance Policy, a Business Ethics Manual and an Anti-Corruption Policy. These are recognized by the staff of the Company as the basis of working. In addition, the Company has established the alignment of the organization structure with the Company's goals and business direction, including clear definition of functions, roles/responsibilities, and reporting lines of each business division. The Company recognizes that a Control Environment increases the productivity and efficacy of work carried out by the staff of the Company.

2. RISK ASSESSMENT

The Company recognizes the importance of Risk Assessment as a tool to provide an early warning of a danger that could result in loss and therefore, the Company annually assesses prominent risks by dividing them into two categories 1) Organization Level that is managed by Management and published in the section **"Risk Management"** of this Annual report 2) Activities Level for which both, the Internal Audit Department as an independent entity and each specific department (being in possession of sound knowledge and skills required for operations), are responsible. Such assessments bring out the risks that affect the Company's operations which are then required to be managed through a set-up of correct and appropriate control systems. The results of Risk Assessment for various activities are reported periodically to the Management, the Sustainability & Risk Management Committee and the Board of Directors for review and action.

3. CONTROL ACTIVITIES

The Risk Assessment process also involves an assessment of Control Activities. The objective of assessment is to ensure that the Company has good control systems and conforms to the related risks to decrease/distribute all risks of the Company with a view to ensuring the sustainability of operations. In terms of the Company's functional management, the Managing Director delegates authority to the Company's functional management, resulting in practical and easily tracked courses of action. All departments have to verify, control and supervise their function business to ensure strict compliance with laws and regulations.

4. INFORMATION & COMMUNICATION

The Company recognizes the importance of reliable Information & Communication systems. To ensure this, the Company invests in the continuous development of its IT and Communication systems both ashore as well on-board vessels. This ensures that accurate and timely data is always available for decision-making. The Company uses encrypted software for internal communications. Important external communications are disseminated through the SET, the Company's website and the Company's social media channels. In addition, the Company's top management is very prompt in answering any queries, which may be raised by investors or other stakeholders.

5. MONITORING & EVALUATION

Performance monitoring and evaluation of employees is as follows:

Level	Evaluation by	Frequency of evaluation
Staff	Head of Department / Line Manager	At least once a year
Head of Department	Management	At least once a year
Management	Board of Directors	At least once a year

The results of the evaluation exercise are taken into consideration while determining the Company's future strategy. In addition, the Internal Audit Department monitors and assesses internal control procedures and outcomes and reports its findings to the Audit & Corporate Governance Committee. The findings of internal control assessment for 2022 have been provided in the **"Audit & Corporate Governance Committee Report"** section of the Annual Report.

The Board of Directors' opinion of the Company's internal control system

At the Board of Directors' Meeting No.1/2023 on 10 February 2023, which the Audit & Corporate Governance Committee also attended, the Board agreed with the Audit & Corporate Governance Committee's opinion about internal control evaluation results. It was concluded that the Company and its subsidiaries have proper internal control systems and have effectively adapted control measures to correspond with changing situations.

Moreover, the result of the year 2022 audit of the Company by EY Office Limited, the independent and external auditors have not identified any significant audit findings, including any significant deficiencies in internal controls relevant to the audit.

Head of Internal Audit and Head of Legal & Compliance

The Company established an Internal Audit Department in order to ensure that key operations and financial activities are conducted in compliance with Company guidelines and statutory laws. Internal auditors report directly to the Audit & Corporate Governance Committee on all matters in order to make the Internal Audit Department completely independent of Management. The Audit & Corporate Governance Committee has the authority to approve the appointment, transfer and dismiss the Head of Internal Audit. A detailed profile of the Head of Internal Audit, Ms. Panida Satjadeachachai, is provided in Enclosure 1 **"Information on Relevant Persons in the Organisation"** of this Annual Report.

The Company also established the Legal & Compliance Department to review and evaluate compliance issues/concerns within the organization in order to mitigate legal risk and to ensure that the Board of Directors, Management and Employees are in compliance with the rules and regulations of regulatory agencies, that company policies and procedures are being followed and that behavior in the organization is in line with the Company's Code of Conduct. A detailed profile of the Head of Legal and Compliance Department, Ms. Sirasa Supawasin, is provided in Enclosure 1 **"Information on Relevant Persons in the Organisation"** of this Annual Report.



CONNECTED TRANSACTIONS

The Company and its subsidiaries have entered into certain transactions with connected persons. All of these transactions are made in the ordinary course of business and with arm's length terms.

Internal auditors have reviewed the connected transactions according to the Notifications of the Stock Exchange of Thailand Re: The Disclosure of Information and Acts of Listed Companies Concerning Connected Transactions 2003, as amended from time to time and the Notification of the Capital Market Supervisory Board No. Tor Chor. 21/2551 Re: Rules on Connected Transactions as amended from time to time, including the circular of the SEC about the recommended practice to be followed under section 89/12 (1) of the Securities and Exchange Act (No.4) B.E.2551.

The summary of related party transactions entered into by the Company and/or its subsidiaries with related parties are as follows:

Connected Party	Relationship	Type of Transaction	Amount (Million Baht)		
			2020	2021	2022
Unistretch Limited	<ul style="list-style-type: none"> Mr. Ishaan Shah, a Director of the Company, is a Director and Shareholder of Unistretch Limited. Ms. Nishita Shah, a Director of the Company, is a Shareholder of Unistretch Limited. Mr. Kirit Shah, a Director of the Company, is a Director of Unistretch Limited. Total direct/indirect shareholding (%) in Unistretch Limited of Ms. Nishita Shah and Mr. Ishaan Shah as at 31 December 2022: 67.75% of total paid-up shares. 	Office lease	2.22	2.05	2.83
		Property management services	0.45	0.30	0.30
Maestro Controls Limited	<ul style="list-style-type: none"> Mr. Ishaan Shah, a Director of the Company, is a Director and Shareholder of Maestro Controls Limited. Ms. Nishita Shah, a Director of the Company, is a Shareholder of Maestro Controls Limited. Mr. Kirit Shah, a Director of the Company, is a Director of Maestro Controls Limited. Total direct/indirect shareholding (%) in Maestro Controls Limited of Ms. Nishita Shah and Mr. Ishaan Shah as at 31 December 2022: 99.85% of total paid-up shares. 	Maintenance of the air conditioning systems	0.22	0.09	0.23
		Supply of air conditioners and air purifiers	8.94	1.35	1.96
Maxwin Builders Limited	<ul style="list-style-type: none"> Mr. Ishaan Shah, a Director of the Company, is a Director and Shareholder of Maxwin Builders Limited. Ms. Nishita Shah, a Director of the Company, is a Shareholder of Maxwin Builders Limited. Mr. Khushroo Kali Wadia and Mr. Kirit Shah, Directors of the Company, are Directors of Maxwin Builders Limited. Total direct/indirect shareholding (%) in Maxwin Builders Limited of Ms. Nishita Shah and Mr. Ishaan Shah as at 31 December 2022: 85.93% of total paid-up shares. 	Hotel and management services	4.53	25.40	4.50

Connected Party	Relationship	Type of Transaction	Amount (Million Baht)		
			2020	2021	2022
InsurExcellence Insurance Brokers Limited and InsurExcellence Life Insurance Brokers Limited	<ul style="list-style-type: none"> Mr. Ishaan Shah, a Director of the Company, is a Director in InsurExcellence Insurance Brokers Limited and InsurExcellence Life Insurance Brokers Limited. Ms. Sameera Shah, who is a Director and Shareholder in InsurExcellence Insurance Brokers Limited and InsurExcellence Life Insurance Brokers Limited, is daughter of Mr. Kirit Shah and is a blood sister of Ms. Nishita Shah and Mr. Ishaan Shah, who are Directors of the Company. Total direct/indirect shareholding (%) in InsurExcellence Insurance Brokers Limited of Ms. Sameera Shah as at 31 December 2022: 48.66% of total paid-up shares. Total direct/indirect shareholding (%) in InsurExcellence Life Insurance Brokers Limited of Ms. Sameera Shah as at 31 December 2022: 48.66% of total paid-up shares. 	Insurances	3.22	2.67	2.78
Eka Software Solutions Pte Ltd.	<ul style="list-style-type: none"> Mr. Ishaan Shah, a Director of the Company, is a shareholder of Sybex Pte Ltd, the Singapore parent company (shareholding 99.99%) of Eka Software Solutions Pte Ltd., Singapore. Mr. Ishaan Shah's aggregate direct/indirect shareholding (%) in Sybex Pte Ltd. as of 31 December 2022: 26.44% of total paid up shares. Mr. Kirit Shah, Director of the Company, is a Director in Eka Software Solutions Pte Ltd. and Sybex Pte Ltd. 	Software expenses	-	0.17	0.25
RZHA GmbH	<ul style="list-style-type: none"> Mr. Khalid Moinuddin Hashim, the Managing Director of the Company, is the father of Mr. Rizwan Hashim who is a director and shareholder of RZHA GmbH. 	Consultancy services for ship chartering	-	-	3.73
Christiani & Nielsen Energy Solutions Company Limited	<ul style="list-style-type: none"> Mr. Khushroo Kali Wadia, a Director of the Company, is a Director of Christiani & Nielsen Energy Solutions Company Limited. Mr. Khushroo Kali Wadia, and Mr. Kirit Shah, Directors of the Company, are Directors of Christiani & Nielsen (Thai) Public Company Limited, the parent company (shareholding 85%) of Christiani & Nielsen Energy Solutions Company Limited. Mr. Ishaan Shah, a Director of the Company, is a Director and Shareholder of Christiani & Nielsen (Thai) Public Company Limited. Ms. Nishita Shah, a Director of the Company, is a Shareholder of Globex Corporation Limited, Major shareholder of Christiani & Nielsen (Thai) Public Company Limited. 	Purchase of solar panels for ships	-	-	0.06
Mega Lifesciences Nigeria Limited	<ul style="list-style-type: none"> Mr. Ishaan Shah and Mr. Kirit Shah, Directors of the Company, are Directors of Mega Lifesciences Public Company Limited, the parent company (shareholding 99.99%) of Mega Lifesciences Nigeria Ltd., Nigeria. Mr. Ishaan Shah and Ms. Nishita Shah, Directors of the Company, are shareholders of Mega Lifesciences Public Company Limited. 	Service fee for handling all local payments to vendors in Lagos, Nigeria	-	-	0.64
		Accommodation, provision, and miscellaneous expenses for crews in Lagos, Nigeria	-	-	6.00

Connected Party	Relationship	Type of Transaction	Amount (Million Baht)		
			2020	2021	2022
Great Circle Shipping Agency Limited ("Subsidiary"), a wholly owned Thai subsidiary of the Company	<ul style="list-style-type: none"> Mr. Khalid Moinuddin Hashim, Managing Director and Director of the Company, and Director of the Subsidiary. Mr. Khalid Moinuddin Hashim currently holds 121,526,275 shares (7.79%) in the Company and 1 share (0.001%) in the Subsidiary; and Mr. Munir Moinuddin Hashim is the brother of Mr. Khalid Moinuddin Hashim. Mr. Khalid Moinuddin Hashim and Mr. Munir Moinuddin Hashim are the Sellers under this transaction. 	Purchase of one condominium unit at Prestige Towers Condominium located at 168/21, Tower A, Soi Sukhumvit 23, Klongtoey Nue Sub-district, Wattana District, Bangkok for foreign employees	-	-	7.50
Ambika Tour Agency Limited	<ul style="list-style-type: none"> Mr. Ishaan Shah, a Director of the Company, is a Director and Shareholder of Ambika Tour Agency Limited. Ms. Nishita Shah, a Director of the Company, is a Shareholder of Ambika Tour Agency Limited. Total direct/indirect shareholding (%) in Ambika Tour Agency Limited of Ms. Nishita Shah and Mr. Ishaan Shah as at 31 December 2022: 58.13% of total paid-up shares. 	Purchase of air tickets	0.25	-	-
MJets Limited	<ul style="list-style-type: none"> Mr. Ishaan Shah and Mr. Kirit Shah, Directors of the Company, are Directors of MJets Limited. Mr. Ishaan Shah, a Director of the Company, is a Shareholder of MJets Limited. Total direct/indirect shareholding (%) in MJets Limited of Mr. Ishaan Shah as at 31 December 2022: 17.00% of total paid-up shares. 	Transportation service	-	0.47	-

The rationale of the related party transactions

The related party transactions were necessary and justified to provide the maximum benefits for the Company. These transactions were the supporting transactions for the normal business operations of the Company.

Procedures for approval of related party transactions

All transactions between the Company and related parties are conducted on the same terms and conditions as those with the third parties. A related person who has a conflict of interest in a particular transaction is not entitled to vote for approval of such a transaction. In addition, the Company discloses information of a related party transaction in a transparent manner and in accordance with good governance principles.

Policy in respect of future transactions with connected parties

The Company has always and will continue to conduct transactions with connected parties very carefully, with a view to maintaining full compliance with the relevant rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission and any applicable laws, apart from compliance with the internal policies and guidelines set up by the Company. Moreover, such transactions are entered into strictly on an "Arm's Length" basis. The terms and conditions of such transactions are always in compliance with generally acceptable, standard commercial terms and conditions.

Opinions of the Audit and Corporate Governance Committee and the Board of Directors on the connected transactions

Directors and Executives disclose their and their relatives' shareholdings, directorships and other interests in other companies and firms, and report their conflict of interest if any, to the Company for the company's use

in complying with the regulations pertaining to connected party transactions. Such a report disclosing all their interests is also useful in monitoring their adherence to their duties regarding conflict of interest transactions. The internal auditors have reviewed the above connected transactions and reported the results of their review to the Audit and Corporate Governance Committee who in turn have discussed and reviewed the transactions in their Audit and Corporate Governance Committee meeting No. 1/2023 held on 9 February 2023. The Audit and Corporate Governance Committee is of the opinion that the aforesaid transactions are fair and reasonable and for the full benefit of the Company.

The Board of Directors meeting No. 1/2023 held on 10 February 2023, the Board reviewed the transactions and based on the findings and report of the Audit and Corporate Governance Committee, the Board is of the opinion that the Company has adequate rules, regulations and policies for prevention of conflicted transactions and that the above interested party transactions are entered solely based on the market prices, reasonable and for the full benefit of the Company. Adequate disclosures have also been made in the financial statements.



Part 3

FINANCIAL

PERFORMANCE





REPORT ON THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Board of Directors is responsible for the Company's financial statements and financial information presented in this Annual Report. The aforementioned financial statements have been prepared in accordance with Thai Financial Reporting Standards, using appropriate accounting policies consistently employed by the Company after applying prudent judgment and best estimation. Important information is adequately disclosed in the notes to the financial statements.

The Board of Directors has provided for and maintained efficient internal control systems to ensure that accounting records are accurate, complete and adequate to protect the Company's assets and uncover weaknesses in order to prevent fraud or materially irregular operations.

To accomplish this task, the Board of Directors has appointed an Audit & Corporate Governance Committee, which consists fully of Independent Directors and the Committee is, inter alia responsible for the quality of financial statements and internal control systems, with the Committee's comments on these issues included in the Audit & Corporate Governance Committee Report in this Annual Report.

The Board of Directors is of the opinion that the Company's overall internal control system has functioned up to a satisfactory level to render credibility and reliability to the Company's financial statements for the year ended December 31st, 2022.

**For and on behalf of the Board of Directors of
Precious Shipping Public Company Limited**

Mr. Chaipatr Srivisarvacha
Chairman of the Board of Directors

Mr. Khalid Moinuddin Hashim
Managing Director

10 February 2023



FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Precious Shipping Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Precious Shipping Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Precious Shipping Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Precious Shipping Public Company Limited and its subsidiaries and of Precious Shipping Public Company Limited as at 31 December 2022, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Revenue recognition

The Group has entered into agreements with a large number of customers and these include both Time Charter and Voyage Charter type agreements, whereby the freight rates fluctuate in line with global market rates. There are therefore risks with respect to the amount and timing of revenue recognition.

I have examined the revenue recognition of the Group by

- Assessing and testing the Group's IT system and its internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select service agreements to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy.
- On a sampling basis, examining supporting documents for actual revenue recognition transactions occurring during the year and near the end of the accounting period.
- Reviewing credit notes that the Group issued after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in revenue transactions throughout the period, particularly for accounting entries made through journal vouchers.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.



Termphong Opanaphan

Certified Public Accountant (Thailand) No. 4501

EY Office Limited

Bangkok: 10 February 2023

STATEMENT OF FINANCIAL POSITION

Precious Shipping Public Company Limited and its subsidiaries
As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Assets					
Current assets					
Cash and cash equivalents	6	1,055,667,444	2,468,209,354	316,476,272	537,947,101
Trade and other receivables	7, 8	279,149,273	175,329,039	2,900,017,798	2,061,657,283
Bunker oil		41,819,267	21,575,202	-	-
Other current assets					
Advances to vessel masters		37,007,863	30,065,102	-	-
Claim recoverables		12,799,390	8,120,546	-	-
Lube oil stock on board		91,046,628	76,348,181	-	-
Others		39,966,968	29,861,416	11,711,795	16,795,122
Total other current assets		180,820,849	144,395,245	11,711,795	16,795,122
Total current assets		1,557,456,833	2,809,508,840	3,228,205,865	2,616,399,506
Non-current assets					
Restricted bank deposits	9	100,382,755	119,999,498	-	-
Long-term loans to a subsidiary	10	-	-	790,603,531	2,571,251,793
Derivative assets	33	274,862,486	8,452,494	-	-
Investments in subsidiaries	11	-	-	8,532,592,508	7,810,885,894
Investment in associate held by a subsidiary	12	80,644,761	91,237,864	-	-
Investment in equity instrument of non-listed company	13	18,100,095	14,705,103	18,100,095	14,705,103
Property, plant and equipment	14	22,048,146,324	20,284,980,785	10,324,605	8,122,486
Right-of-use assets	18	15,633,143	20,997,859	13,955,757	18,078,364
Intangible assets	15	5,583,982	6,371,093	5,281,374	6,089,865
Other non-current assets					
Claim recoverables - maritime claims		70,777,229	27,707,403	-	-
Deferred contract costs	16	129,143,691	143,370,720	-	-
Others		3,233,389	3,169,593	2,394,546	2,395,091
Total other non-current assets		203,154,309	174,247,716	2,394,546	2,395,091
Total non-current assets		22,746,507,855	20,720,992,412	9,373,252,416	10,431,528,596
Total assets		24,303,964,688	23,530,501,252	12,601,458,281	13,047,928,102

The accompanying notes are an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION (CONTINUED)

Precious Shipping Public Company Limited and its subsidiaries
As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables					
Trade and other payables	8	229,485,798	105,315,282	724,495	1,263,537
Advances received from related parties	8	-	-	1,938,798,745	2,537,687,814
Accrued crew accounts		100,996,598	88,778,986	-	-
Accrued expenses		81,591,681	62,205,894	1,437,634	885,416
Current portion of accrued employee benefits		172,309,065	98,012,687	122,369,642	68,706,512
Total trade and other payables		584,383,142	354,312,849	2,063,330,516	2,608,543,279
Advances received from charterers		54,695,861	86,911,294	-	-
Current portion of long-term loans	17	1,161,783,910	1,408,602,518	-	-
Current portion of lease liabilities	18	5,704,577	5,418,838	4,458,766	4,207,231
Derivative liabilities	33	-	3,995,773	-	-
Income tax payable		1,767,934	13,676	-	-
Other current liabilities		59,130,566	57,341,601	52,358,924	50,413,753
Total current liabilities		1,867,465,990	1,916,596,549	2,120,148,206	2,663,164,263
Non-current liabilities					
Accrued employee benefits - net of current portion		230,257,126	196,025,373	158,982,206	137,413,024
Long-term loans - net of current portion	17	5,547,288,752	6,809,259,448	-	-
Lease liabilities - net of current portion	18	9,065,079	14,377,261	8,753,627	12,862,752
Derivative liabilities	33	-	11,237,536	-	-
Deferred tax liabilities	25	1,532,803	3,470,971	-	-
Provision for maritime claims	19	55,433,804	39,225,204	-	-
Provision for long-term employee benefits	20	130,111,971	175,293,042	97,420,781	129,466,640
Total non-current liabilities		5,973,689,535	7,248,888,835	265,156,614	279,742,416
Total liabilities		7,841,155,525	9,165,485,384	2,385,304,820	2,942,906,679

The accompanying notes are an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION (CONTINUED)

Precious Shipping Public Company Limited and its subsidiaries
As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Shareholders' equity					
Share capital					
Registered share capital					
1,559,291,862 ordinary shares of Baht 1 each		1,559,291,862	1,559,291,862	1,559,291,862	1,559,291,862
Issued and paid-up share capital					
1,559,291,862 ordinary shares of Baht 1 each		1,559,291,862	1,559,291,862	1,559,291,862	1,559,291,862
Paid-in capital					
Premium on ordinary shares		1,967,897,516	1,967,897,516	1,967,897,516	1,967,897,516
Premium on treasury stock		172,445,812	172,445,812	172,445,812	172,445,812
Retained earnings					
Appropriated					
Statutory reserve - the Company	21	155,929,186	155,929,186	155,929,186	155,929,186
- subsidiaries	21	571,500,000	420,420,000	-	-
Corporate social responsibility reserve	22	57,162,181	36,261,237	57,162,181	36,261,237
Unappropriated		11,690,107,761	10,471,445,662	5,332,567,834	5,423,178,688
Other components of shareholders' equity		288,433,916	(418,712,005)	970,859,070	790,017,122
Equity attributable to owners of the Company		16,462,768,234	14,364,979,270	10,216,153,461	10,105,021,423
Non-controlling interests of the subsidiaries		40,929	36,598	-	-
Total shareholders' equity		16,462,809,163	14,365,015,868	10,216,153,461	10,105,021,423
Total liabilities and shareholders' equity		24,303,964,688	23,530,501,252	12,601,458,281	13,047,928,102

The accompanying notes are an integral part of the financial statements.

INCOME STATEMENT

Precious Shipping Public Company Limited and its subsidiaries
For the year ended 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Revenues					
Vessel operating income					
Time charter income		8,992,495,651	7,722,877,287	-	-
Voyage charter income		132,297,244	888,876,146	-	-
Total vessel operating income		9,124,792,895	8,611,753,433	-	-
Service income	8	3,941,486	3,632,948	109,471,221	90,899,139
Interest income		14,593,731	1,870,185	445,464,427	181,561,985
Dividend income	11	-	509,281	3,187,145,190	1,246,583,113
Exchange gains		497,429	194,370,139	3,195,417	185,399,483
Gains on ineffective portion of cash flow hedge on fair value adjustment of hedging instruments		-	1,041,074	-	-
Other income		2,815,371	1,117,433	361,992	711,625
Total revenues		9,146,640,912	8,814,294,493	3,745,638,247	1,705,155,345
Expenses					
Vessel operating costs					
Vessel running expenses		1,983,300,244	1,774,511,844	-	-
Voyage disbursements		38,938,735	110,688,544	-	-
Bunker consumption		48,438,189	200,298,325	-	-
Total vessel operating costs		2,070,677,168	2,085,498,713	-	-
Depreciation	14, 18	1,324,374,022	1,213,654,309	7,962,596	8,203,397
Cost of services		5,647,373	5,358,997	-	-
Administrative expenses	8	370,616,540	407,870,640	196,190,814	233,167,551
Management remuneration including perquisites	8	145,901,550	172,977,473	142,405,226	167,805,999
Reversal of expected credit losses	7, 10	(1,348,625)	(8,776,627)	(9,754,010)	-
Losses on derivative		1,414,309	68,667,974	-	11,786,995
Total expenses		3,917,282,337	3,945,251,479	336,804,626	420,963,942
Operating profit		5,229,358,575	4,869,043,014	3,408,833,621	1,284,191,403
Share of profit from investment in associate held by a subsidiary	12.1	29,131,662	22,798,670	-	-
Finance cost	23	(392,348,870)	(415,226,947)	(1,728,837)	(136,411,196)
Profit before income tax expenses		4,866,141,367	4,476,614,737	3,407,104,784	1,147,780,207
Income tax expenses	25	(15,352,015)	(1,682,458)	-	-
Profit for the year		4,850,789,352	4,474,932,279	3,407,104,784	1,147,780,207

The accompanying notes are an integral part of the financial statements.

INCOME STATEMENT (CONTINUED)

Precious Shipping Public Company Limited and its subsidiaries
For the year ended 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Profit attributable to:					
Equity holders of the Company		4,850,786,205	4,474,929,926	3,407,104,784	1,147,780,207
Non-controlling interests of the subsidiaries		3,147	2,353	-	-
Profit for the year		<u>4,850,789,352</u>	<u>4,474,932,279</u>	<u>3,407,104,784</u>	<u>1,147,780,207</u>
Basic earnings per share					
	27				
Profit attributable to equity holders of the Company		<u>3.11</u>	<u>2.87</u>	<u>2.19</u>	<u>0.74</u>

The accompanying notes are an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

Precious Shipping Public Company Limited and its subsidiaries
For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Profit for the year	4,850,789,352	4,474,932,279	3,407,104,784	1,147,780,207
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Exchange differences on translation of financial statements in foreign currency - net of income tax	(637,931)	(4,121,925)	-	-
Gains on cash flow hedges	276,341,014	84,294,806	7,355,614	10,166,459
Changes in cost of hedging	(1,317,873)	(1,511,483)	(2,010,152)	(2,730,051)
Other comprehensive income to be reclassified to profit or loss in subsequent periods	274,385,210	78,661,398	5,345,462	7,436,408
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>				
Gain (losses) on measurement of fair value of investment in equity instrument of non-listed company	2,892,281	(3,425,444)	2,892,281	(3,425,444)
Actuarial gain	47,395,540	-	30,724,008	-
Exchange differences on translation of functional currency to presentation currency financial statements	429,869,614	1,239,666,691	172,604,205	1,064,112,908
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	480,157,435	1,236,241,247	206,220,494	1,060,687,464
Other comprehensive income for the year	754,542,645	1,314,902,645	211,565,956	1,068,123,872
Total comprehensive income for the year	5,605,331,997	5,789,834,924	3,618,670,740	2,215,904,079
Total comprehensive income attributable to:				
Equity holders of the Company	5,605,327,666	5,789,829,061	3,618,670,740	2,215,904,079
Non-controlling interests of the subsidiaries	4,331	5,863	-	-
	5,605,331,997	5,789,834,924	3,618,670,740	2,215,904,079

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Precious Shipping Public Company Limited and its subsidiaries
For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements													
	Equity attributable to owners of the Company											Total shareholders' equity		
	Retained earnings					Other components of shareholders' equity								
	Appropriated		Corporate social responsibility reserve			Exchange differences on transition of financial statements	Gain (losses) on measurement of fair value of investment in equity non-listed company	Cash flow hedge reserve	Cost of hedging reserve	Total other components of shareholders' equity	Total equity attributable to owners of the Company		Equity attributable to non-controlling interests of the subsidiaries	
Statutory reserve	Subsidiaries	Unappropriated	Subsidiaries	Company										
Issued and paid-up share capital	Premium on ordinary shares	Premium on treasury stock	Statutory reserve	Subsidiaries	Corporate social responsibility reserve	Unappropriated	Subsidiaries	Company	Statutory reserve	Subsidiaries	Corporate social responsibility reserve	Total		
1,559,291,862	1,967,897,516	172,445,912	103,962,060	420,420,000	17,769,466	7,626,094,265	4,474,929,926	(1,645,910,360)	(751,916)	(89,776,216)	2,829,356	(1,733,611,140)	10,134,260,576	
-	-	-	-	-	-	4,474,929,926	-	1,235,541,256	-	-	(1,511,483)	1,314,899,135	4,474,929,926	
-	-	-	-	-	-	-	-	1,235,541,256	(3,425,444)	84,294,806	(1,511,483)	1,314,899,135	2,353	
-	-	-	-	-	-	(1,559,109,632)	(1,559,109,632)	1,235,541,256	(3,425,444)	84,294,806	(1,511,483)	1,314,899,135	3,510	
-	-	-	5,197,126	-	-	(5,197,126)	-	-	-	-	-	-	5,863	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	(18,491,771)	(18,491,771)	-	-	-	-	-	-	
-	-	-	-	-	-	18,491,771	18,491,771	(410,389,104)	(4,177,362)	(5,483,412)	1,317,873	(415,712,005)	36,898	
1,559,291,862	1,967,897,516	172,445,912	155,929,186	420,420,000	36,261,237	10,471,445,662	10,471,445,662	(410,389,104)	(4,177,362)	(5,483,412)	1,317,873	(415,712,005)	14,364,979,270	
-	-	-	-	-	-	4,850,768,205	4,850,768,205	-	-	-	-	-	-	3,147
-	-	-	-	-	-	47,985,540	47,985,540	429,230,499	2,892,281	276,341,014	(1,317,873)	707,145,921	1,184	
-	-	-	-	-	-	4,888,181,745	4,888,181,745	429,230,499	2,892,281	276,341,014	(1,317,873)	707,145,921	4,331	
-	-	-	-	-	-	(3,507,538,702)	(3,507,538,702)	-	-	-	-	-	-	(3,507,538,702)
-	-	-	-	-	-	151,080,000	151,080,000	-	-	-	-	-	-	-
-	-	-	-	-	-	20,900,944	20,900,944	-	-	-	-	-	-	-
1,559,291,862	1,967,897,516	172,445,912	155,929,186	571,500,000	57,162,181	11,690,107,761	11,690,107,761	18,861,395	(1,285,081)	270,857,602	-	288,433,916	16,462,809,163	

The accompanying notes are an integral part of the financial statements.

CASH FLOW STATEMENT

Precious Shipping Public Company Limited and its subsidiaries
For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from operating activities				
Profit before tax	4,866,141,367	4,476,614,737	3,407,104,784	1,147,780,207
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	1,325,783,590	1,214,915,813	9,282,646	9,391,878
Reversal of expected credit losses	(1,348,625)	(8,776,627)	(9,754,010)	-
Amortisation of deferred contract costs	19,490,323	17,780,093	-	-
Write-off equipment	21,547	26,378	21,546	16,975
Gains on sales of motor vehicle and equipment	(359,118)	(734,380)	(359,118)	(711,589)
Share of profit from investment in associate held by a subsidiary	(29,131,662)	(22,798,670)	-	-
Reversal of provision for maritime claims	(25,828,686)	(11,763,717)	-	-
Provision for long-term employee benefits	11,605,983	12,329,100	6,799,252	7,526,416
Unrealised exchange losses (gains)	19,772,200	(15,210,775)	13,283,465	(8,160,264)
Amortised financial fees to interest expenses	23,334,423	14,839,208	-	-
Finance cost	362,220,539	389,687,738	984,947	132,950,986
Amortisation of deferred debentures issuing cost	-	217,819	-	217,819
Dividend income	-	(509,281)	(3,187,145,190)	(1,246,583,113)
Losses on derivative	1,414,309	68,667,974	-	11,786,995
Gains on ineffective portion of cash flow hedge on fair value adjustment of hedging instruments	-	(1,041,074)	-	-
Interest income	-	-	(440,078,624)	(180,668,778)
Write-off withholding tax deducted at source	3,133,175	1,680,297	3,019,915	1,680,297
Profit (loss) from operating activities before changes in operating assets and liabilities	6,576,249,365	6,135,924,633	(196,840,387)	(124,772,171)
Operating assets (increase) decrease				
Trade and other receivables	(101,263,570)	15,506,027	(781,361,688)	1,949,966,518
Bunker oil	(23,426,715)	18,830,573	-	-
Other current assets	(25,503,936)	(10,372,746)	4,813,472	(1,276,891)
Other non-current assets	(60,048)	-	-	-
Operating liabilities increase (decrease)				
Trade and other payables	214,079,889	70,978,907	2,469,320,539	578,456,760
Advances received from charterers	(40,155,707)	(563,441,815)	-	-
Other current liabilities	(2,729,860)	41,263,982	(2,061,373)	41,109,193
Non-current liabilities	19,455,150	194,207,543	11,268,176	136,143,568
Cash flows from operating activities	6,616,644,568	5,902,897,104	1,505,138,739	2,579,626,977
Cash paid for long-term employee benefits	(9,441,060)	(3,079,425)	(8,160,261)	(3,079,425)
Cash paid for corporate income tax and withholding tax deducted at source	(3,150,552)	(4,388,883)	(1,791,168)	(1,552,347)
Net cash flows from operating activities	6,604,052,956	5,895,428,796	1,495,187,310	2,574,995,205

The accompanying notes are an integral part of the financial statements.

CASH FLOW STATEMENT (CONTINUED)

Precious Shipping Public Company Limited and its subsidiaries
For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash flows from investing activities				
Acquisitions of condominium unit, vessels, equipment and payment of dry-dock and special survey expenses	(2,446,160,135)	(255,979,214)	(5,334,756)	(3,459,740)
Cash received from sales of motor vehicle and equipment	359,551	734,388	359,551	711,594
Acquisitions of computer software	(400,706)	-	(294,212)	-
Cash paid for investments in subsidiary in ordinary shares	-	-	(420,000,000)	-
Cash paid for investments in subsidiaries in preference shares	-	-	(46,379,601)	-
Decrease in long-term loans to subsidiary	-	-	2,285,751,120	1,361,157,084
Dividend received	30,282,716	19,890,961	-	1,246,583,113
Net cash flows from (used in) investing activities	(2,415,918,574)	(235,353,865)	1,814,102,102	2,604,992,051
Cash flows from financing activities				
Decrease (increase) in restricted bank deposits	22,711,824	(119,999,498)	-	-
Cash paid for interest expense	(371,819,680)	(415,463,566)	-	(155,943,491)
Cash paid for deferred financial fees	(6,539,484)	(74,172,066)	-	-
Cash paid for lease liabilities	(7,071,527)	(6,435,368)	(5,553,389)	(5,050,400)
Cash paid for derivative	(1,352,892)	(61,397,576)	-	-
Cash received from long-term loans	591,824,160	4,397,359,535	-	-
Repayment of long-term loans	(1,345,752,868)	(1,429,562,520)	-	-
Prepayment of long-term loans	(1,079,688,540)	(1,584,605,203)	-	-
Repayment of debentures - net	-	(3,569,217,818)	-	(3,569,217,818)
Dividend paid	(3,507,538,702)	(1,559,109,632)	(3,507,538,702)	(1,559,109,632)
Net cash flows used in financing activities	(5,705,227,709)	(4,422,603,712)	(3,513,092,091)	(5,289,321,341)
Increase (decrease) in translation adjustments	104,551,417	130,247,931	(17,668,150)	34,556,872
Net increase (decrease) in cash and cash equivalents	(1,412,541,910)	1,367,719,150	(221,470,829)	(74,777,213)
Cash and cash equivalents at beginning of year	2,468,209,354	1,100,490,204	537,947,101	612,724,314
Cash and cash equivalents at end of year	1,055,667,444	2,468,209,354	316,476,272	537,947,101
Supplemental cash flows information				
Non-cash transactions				
Dividend income from subsidiaries offset against payable to subsidiaries	-	-	3,187,145,190	-

The accompanying notes are an integral part of the financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Precious Shipping Public Company Limited and its subsidiaries
For the year ended 31 December 2022

1. General information

Precious Shipping Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged as a holding company for investment in the marine transportation business. The registered office of the Company is at No. 8, North Sathorn Road, G, 7th, 8th and 9th floors, Silom, Bangrak, Bangkok 10500.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

These financial statements are presented in Thai Baht in accordance with the regulatory requirements in Thailand, which differs from the functional currency of the Company, which is US Dollar. Assets and liabilities are translated into the Thai Baht at the rate of exchange prevailing at the reporting period end date, and at a rate that approximates the actual rate at the date of the transaction in respect of revenues and expenses, differences being recorded as “Exchange differences on translation of financial statements” in other comprehensive income, other components of shareholders' equity.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Precious Shipping Public Company Limited and the following subsidiaries and associate (“the Group”).

Company's name	Nature of business	Country of incorporation	Percentage directly and indirectly owned by the Company	
			2022	2021
			%	%
<u>Subsidiaries held by the Company</u>				
1. Precious Metals Limited	Shipowner	Thailand	99.99	99.99
2. Precious Wishes Limited	Shipowner	Thailand	99.99	99.99
3. Precious Stones Shipping Limited	Shipowner	Thailand	99.99	99.99
4. Precious Minerals Limited**	Shipowner	Thailand	99.99	99.99
5. Precious Lands Limited	Shipowner	Thailand	99.99	99.99
6. Precious Lakes Limited	Shipowner	Thailand	99.99	99.99
7. Precious Oceans Limited	Shipowner	Thailand	99.99	99.99
8. Precious Planets Limited	Shipowner	Thailand	99.99	99.99
9. Precious Diamonds Limited**	Shipowner	Thailand	99.99	99.99
10. Precious Sapphires Limited	Shipowner	Thailand	99.99	99.99
11. Precious Emeralds Limited	Shipowner	Thailand	99.99	99.99
12. Precious Rubies Limited	Shipowner	Thailand	99.99	99.99
13. Precious Opals Limited	Shipowner	Thailand	99.99	99.99
14. Precious Garnets Limited**	Shipowner	Thailand	99.99	99.99
15. Precious Pearls Limited	Shipowner	Thailand	99.99	99.99
16. Precious Flowers Limited	Shipowner	Thailand	99.99	99.99
17. Precious Forests Limited	Shipowner	Thailand	99.99	99.99
18. Precious Trees Limited	Shipowner	Thailand	99.99	99.99
19. Precious Ponds Limited	Shipowner	Thailand	99.99	99.99
20. Precious Ventures Limited	Shipowner	Thailand	99.99	99.99
21. Precious Capitals Limited**	Shipowner	Thailand	99.99	99.99
22. Precious Jasmines Limited	Shipowner	Thailand	99.99	99.99
23. Precious Orchids Limited	Shipowner	Thailand	99.99	99.99
24. Precious Lagoons Limited	Shipowner	Thailand	99.99	99.99
25. Precious Resorts Limited**	Shipowner	Thailand	99.99	99.99
26. Precious Comets Limited	Shipowner	Thailand	99.99	99.99
27. Precious Ornaments Limited	Shipowner	Thailand	99.99	99.99
28. Precious Moons Limited**	Shipowner	Thailand	99.98	99.98
29. Precious Venus Limited	Shipowner	Thailand	99.99	99.99
30. Precious Neptune Limited	Shipowner	Thailand	99.99	99.99
31. Precious Shipping (Panama) S.A.	Shipowner/ Chartering	Panama	99.99	99.99
32. Precious Shipping (Singapore) Pte. Limited	Holding company/ Chartering	Singapore	100.00	100.00
33. Precious Shipping (UK) Limited	Chartering	England	100.00	100.00
34. Great Circle Shipping Agency Limited	Technical manager of ships	Thailand	99.99	99.99
35. Associated Bulk Carriers Pte. Limited	Holding company	Singapore	100.00	100.00

Company's name	Nature of business	Country of incorporation	Percentage directly and indirectly owned by the Company	
			2022	2021
			%	%
<u>Subsidiaries held by subsidiaries</u>				
36. Precious Forests Pte. Ltd.	Shipowner	Singapore	100.00*	100.00
37. Precious Fragrance Pte. Ltd.	Shipowner	Singapore	100.00*	100.00
38. Precious Thoughts Pte. Ltd.	Shipowner	Singapore	100.00*	100.00
39. Precious Comforts Pte. Ltd.	Shipowner	Singapore	100.00*	100.00
40. Precious Sparks Pte. Ltd.	Shipowner	Singapore	100.00*	100.00
41. Precious Visions Pte. Ltd.	Shipowner	Singapore	100.00*	100.00
42. Precious Bridges Pte. Ltd.	Shipowner	Singapore	100.00*	100.00
43. Precious Tides Pte. Ltd.	Shipowner	Singapore	100.00*	100.00
44. Precious Skies Pte. Ltd.	Shipowner	Singapore	100.00*	100.00
45. Precious Grace Pte. Ltd.	Shipowner	Singapore	100.00*	100.00
46. Precious Sonnets Pte. Ltd.***	Shipowner	Singapore	-	100.00
47. Precious Glories Pte. Ltd.	Shipowner	Singapore	100.00*	100.00
48. Precious Wisdom Pte. Ltd.	Shipowner	Singapore	100.00*	100.00
49. ABC One Pte. Ltd.	Shipowner	Singapore	100.00*	100.00
50. ABC Two Pte. Ltd.	Shipowner	Singapore	100.00*	100.00
51. ABC Three Pte. Ltd.	Shipowner	Singapore	100.00*	100.00
52. ABC Four Pte. Ltd.	Shipowner	Singapore	100.00*	100.00
<u>Associate held by a subsidiary</u>				
53. International Seaports (Haldia) Private Limited	Port development	India	22.40	22.40

* Shareholding percentage of only ordinary shares. The preference shares held by the Company are non-voting.

** In the liquidation process.

*** Liquidation process completed in 2022.

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

Investment in associate is accounted for using the equity method and is recognised initially at cost. The consolidated financial statements include the Group's share of the income and expenses and equity movements of equity accounted investee from the date that significant influence incurs until the date that significant influence ceases.

- d) The financial statements of the subsidiaries are prepared for the same reporting period as the Company and using the same significant accounting policies as the Company.

The financial statements of the associate are prepared for a reporting date that differs from that of the Company by no more than three months. In this respect, the accounting periods and differences are consistent and the financial statements are prepared using the same significant accounting policies as the Company.

- e) The financial statements of all subsidiaries and associate are prepared in their respective functional currencies. Where the functional currency is not USD, the financial statements are translated into USD using the exchange rate prevailing on the end of reporting period in respect of assets and liabilities, and at a rate that approximates the actual rate at the date of the transaction in respect of revenues and expenses. The resultant differences have been shown under the caption of “Exchange differences on translation of financial statements” in other comprehensive income, other components of shareholders' equity.
- f) Material balances and transactions between the Group, and investments in subsidiaries by the Company and shareholders' equity of the subsidiaries have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

However, the Group has adopted the temporary exemptions from applying specific hedge accounting requirements in accordance with TFRS 9, *Financial Instruments*, and TFRS 7, *Disclosure of Financial Instruments*, which apply to all hedging relationships directly affected by interest rate benchmark reform. Consequently, the Group can continue to apply hedge accounting for those hedging relationships in the period when there is uncertainty about the timing or the amount of interest rate benchmark-based cash flows of the hedged item or of the hedging instrument.

The adoption of these temporary exemptions does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

4. Significant accounting policies

4.1 Revenue and expense recognition

Vessel operating income

Vessel operating income consists of time charter income and voyage charter income.

Time charter income is recognised on a straight-line basis over the term of the respective time charter agreements as service is provided.

Voyage charter income is recognised on a straight-line basis over the estimated voyage days from the commencement of loading to completion of discharge.

Rendering of services

Service revenue is recognised when services have been rendered.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Dividend received

Dividends received are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Bunker oil

Bunker oil is valued at the lower of cost (first-in, first-out method) and net realisable value and is charged to vessel operating costs whenever consumed.

4.4 Investments in subsidiaries and associate

Investment in associate is accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries and associate are accounted for in the separate financial statements using the cost method net of allowance for impairment loss (if any).

4.5 Property, plant and equipment/Depreciation

Vessels, condominium units, and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of vessels, condominium units and equipment is calculated by reference to their costs, after deducting residual value, on the straight-line basis over the following estimated useful lives.

Vessels	25 years
Vessels equipment	5 year or depreciated over the residual useful lives of vessels
Dry-dock and special survey expenses	2 years and 4 years, respectively
Condominium units	17 - 20 years
Leasehold improvement	5 years
Others	5 years

Depreciation is included in determining income.

No depreciation is provided on asset under construction.

An item of buildings and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

4.6 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.7 Intangible assets and amortisation

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at each financial year end. The amortisation expense is charged to the income statement.

The estimated useful lives of computer software are 5 years and 7 years.

4.8 Deferred financial fees

Financial expenses related to borrowings that are typically incurred on or before signing facility agreements and before actual draw down of the loans are recorded as deferred financial fees. A portion of deferred financial fees proportionate to the amount of the loan facility already drawn is presented as a deduction against the related loan account and amortised using the effective interest rate method over the term of the loans.

4.9 Deferred contract costs

The delay penalties, which the Group paid to the charterer of Cement Carriers before delivery of the vessels in order to maintain respective long-term time charter contracts, are recorded as deferred contract costs and amortised on a straight-line basis over the committed term of the charter under the contract, which is 15 years. The vessel operating income is presented net of this amortisation in the income statement.

4.10 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

Depreciation of right-of-use assets which are buildings are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term which are 4 years to 8 years.

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

4.11 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.12 Foreign currencies

The Group's financial statements are presented in Thai Baht, which is different from the Group's functional currency of USD. Each entity in the Group determines its own functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency. Foreign currency transactions during a particular month are translated into functional currency at the average exchange rates ruling during the previous transaction month.

Monetary assets and liabilities denominated in foreign currencies are retranslated into functional currency at the exchange rate ruling at the end of reporting period. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

b) Group companies

The assets and liabilities of Group companies whose functional currency is not USD are translated into USD at the exchange rate ruling at the end of reporting period and their income statement and statements of comprehensive income are translated at a rate that approximates the actual rate at the date of the transaction.

The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement.

4.13 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in the income statement.

4.14 Employee benefits

a) Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

b) Post-employment benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Past service costs are recognised in the income statement on the earlier of the date of the plan amendment or curtailment and the date that the Company recognises restructuring-related costs.

c) Other long-term employee benefits

The Group's obligation in respect of accrued employee benefits is classified as long-term employee benefits other than retirement benefit plans, and is the amount of future benefit that employees have earned in return for their service in the current period.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in the income statement.

d) Termination benefits

The Group recognised termination benefits when it is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

4.15 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Provisions for maritime claims

Provisions for maritime claims are recorded by the subsidiaries upon receipt of the claim advices from the charterers, based on the best estimate of the expenditure required to settle the subsidiaries present obligation.

4.16 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Income tax of the Group in Thailand is provided for in the accounts based on the taxable income determined in accordance with tax legislation in Thailand. Overseas subsidiaries and associate calculate corporate income tax in accordance with the method and tax rates stipulated by tax laws in those countries.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognised deferred tax liabilities for all taxable temporary differences while it recognised deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.17 Premium on treasury stock

Gains on disposal of treasury stock are determined by reference to the carrying amount and are presented as premium on treasury stock, while losses on disposal are determined by reference to the carrying amount and are recorded as a deduction from premium on treasury stock until the premium is eliminated, with the remainder then presented in retained earnings.

4.18 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Group’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in income statement when the asset is derecognised, modified or impaired.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to income statement.

Dividends are recognised as other income in income statement, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in income statement when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in income statement.

Recognition and derecognition of financial instruments

Financial assets are recognised or derecognised on the settlement date, i.e., the date on which an asset is delivered to or by the Group. This includes regular way trades.

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in income statement.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.19 Derivatives and hedge accounting

The Group uses derivatives, which are cross currency swaps, interest rate swaps, cross currency interest rate swaps and put option, to hedge its foreign currency risks and interest rate risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes including interest income are recognised in income statement unless the derivative is designated and effective as a hedging instrument under cash flow hedge. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

For the purpose of hedge accounting, hedge is classified as cash flow hedges when hedging the exposure to a variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation, at the inception of the hedge and on an ongoing basis, includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements, including analysis of the sources of hedge ineffectiveness and how the hedge ratio is determined.

A hedging relationship qualifies for hedge accounting if it meets all of the following hedge effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk is not the dominant factor in the value changes that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all of the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in income statement. The cash flow hedge reserve is adjusted to the lower (in absolute amounts) of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The way cash flow hedge reserve accumulated in other comprehensive income are subsequently accounted for, depends on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the reserve accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and is not recognised in other comprehensive income for the period. For any other cash flow hedges, the reserve accumulated in other comprehensive income is subsequently reclassified to income statement as a reclassification adjustment in the same period which the hedged cash flows affect income statement.

If cash flow hedge accounting is discontinued, the cash flow hedge reserve accumulated in other comprehensive income must remain in equity if the hedged future cash flows are still expected to occur. Otherwise, the reserve will be immediately reclassified to income statement as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, the way the reserve remaining in equity is accounted for depends on the nature of the underlying transaction as described above.

The Group designates only the intrinsic value of the options and the financial instrument excluding the foreign currency basis spread as a hedging instrument. The change in fair value of the time value of the options and the foreign currency basis spread of financial instrument that relates to the hedged item is separately accounted for as a cost of hedging which is recognised in other comprehensive income and accumulated in a separate component of equity under cost of hedging reserve.

If the hedged item is transaction-related, the cost of hedging reserve accumulated in other comprehensive income is reclassified to income statement when the hedged item affects income statement. If the hedged item is time-period related, then the reserve accumulated in other comprehensive income is reclassified to income statement on systematic and rational basis. The reclassified amounts are recognised in income statement in the same line as the hedged item. If the hedged item is a non-financial item, then the reserve is removed directly from equity and included in the initial carrying amount of the recognised non-financial item. Furthermore, if the Group expects that some or all of the loss accumulated in cost of hedging reserve will not be recovered in the future, that amount is immediately reclassified to income statement.

4.20 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. The significant accounting judgments and estimates are as follows.

Leases

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty), liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Property, plant and equipment/Depreciation

In calculating depreciation on vessels, condominium units and equipment, the management estimates useful lives and residual values of the Company's and subsidiaries' vessels, condominium units and equipment and reviews estimated useful lives and residual values if there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation in relation to the arrest of M.V. Chayanee Naree and her crew in Nigeria

The Company has disclosed the contingent liabilities in respect of the arrest of M.V. Chayanee Naree and her 22 Thai crew members in Nigeria for alleged drug smuggling in Note 31 to the financial statements. Based on the opinion of the Group's legal counsel and its legal counsel, the Company's management believes that it is premature at this stage to reliably estimate the amount of liability (if any) and therefore, no provisions have been made in respect of this case.

6. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Cash	768	895	756	884
Bank deposits	1,054,899	2,467,314	315,720	537,063
Total	1,055,667	2,468,209	316,476	537,947

As at 31 December 2022, bank deposits carried interest between 0.04% and 2.75% per annum for USD savings and current deposits and between 0.15% and 0.40% per annum for Baht savings deposits (2021: between 0.01% and 0.30% per annum for USD savings deposits and between 0.05% and 0.13% per annum for Baht savings deposits).

7. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of invoice date				
Past due				
Up to 3 months	279,149	162,729	-	-
3 - 6 months	-	12,533	-	-
6 - 12 months	-	67	-	-
Over 12 months	52	437	-	-
Total	279,201	175,766	-	-
Less: Allowance for expected credit losses	(52)	(437)	-	-
Total trade receivables - unrelated parties, net	279,149	175,329	-	-
<u>Other receivables - related parties</u>				
Advances to related parties (Note 8)	-	-	2,900,018	2,061,657
Total other receivables	-	-	2,900,018	2,061,657
Total trade and other receivables - net	279,149	175,329	2,900,018	2,061,657

8. Related party transactions

In addition to relationship among the Group as stated in Notes 10 and 11 to the financial statements and its associate as stated in Note 12 to the financial statements, the other related party transactions and relationships are summarised below.

Related party's name	Transaction	Relationship
Globex Corporation Limited	None	Major shareholder holding 28.40% ordinary shares in the Company and related by way of the Company's directors as shareholders and directors in the related party
Unistretch Limited	Office rental and service expenses	Related by way of common shareholders and directors
Maestro Controls Limited	Air-conditioning service expenses	Related by way of common shareholders and directors
Maxwin Builders Limited	Hotel service and management service expenses	Related by way of common shareholders and directors
InsurExcellence Insurance Brokers Limited	Insurance expense	Related by way of Company Directors' close family member as the related party's shareholder
InsurExcellence Life Insurance Brokers Limited	Insurance expense	Related by way of Company Directors' close family member as the related party's shareholder
MJets Limited	Air transportation service	Related by way of common shareholders and directors
Eka Software Solutions Pte Ltd., Singapore	Software expenses	Related by way of common shareholders and directors
Christiani & Nielsen Energy Solutions Company Limited	Purchase of solar panels for ships	Related by way of common shareholders and directors
Mega Lifesciences Nigeria Limited	Service fee	Related by way of common shareholders and directors
RZHA GmbH	Consultancy services for ship chartering	Related by way of Company Directors' close family member as the related party's shareholder
Mr. Khalid Moinuddin Hashim	Acquisition of a condominium unit	Director

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2022	2021	2022	2021	
Transactions with subsidiaries					
(Eliminated from consolidated financial statements)					
Service income - management fees	-	-	109,471	90,899	Fixed rate per vessel per day set with reference to the administrative cost of the Company
Dividend received	-	-	3,187,145	1,246,074	As declared
Interest income	-	-	440,079	180,669	At interest rate of 5.00% per annum
Condominium rental expenses	-	-	7,775	7,359	Market price
Transaction with associate					
Dividend received	30,283	19,382	-	-	As declared
Transactions with related companies					
Rental and service expenses	23,285	32,498	10,009	10,209	Market price
Transaction with related person					
Acquisition of a condominium unit	7,500	-	-	-	At agreed price

The balances of the accounts as at 31 December 2022 and 2021 between the Company and those related parties are as follows.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Other receivables - related parties (Note 7)				
Subsidiaries	-	-	2,900,018	2,061,657
Total other receivables - related parties	-	-	2,900,018	2,061,657
Trade and other payables - related parties				
Subsidiaries	-	-	1,938,799	2,537,688
Related companies	12	394	12	319
Total trade and other payables - related parties	12	394	1,938,811	2,538,007
Lease liabilities - related parties				
Related company	3,843	5,432	3,843	5,432
Total lease liabilities - related parties	3,843	5,432	3,843	5,432

The outstanding balances of the amounts due from/to subsidiaries represent current accounts between the Group. The Company's management believes that no allowance for expected credit losses is necessary. No interest was charged on advances to/from subsidiaries.

Directors and management's benefits

During the years ended 31 December 2022 and 2021, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Short-term employee benefits	99,275	107,450	98,487	105,707
Post-employment benefits	1,594	1,910	1,311	1,642
Other long-term benefits	45,033	63,617	42,607	60,457
Total	<u>145,902</u>	<u>172,977</u>	<u>142,405</u>	<u>167,806</u>

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its subsidiaries in relation to the loans from banks.

9. Restricted bank deposits

Balance as at 31 December 2022 represented the Subsidiaries' deposits of USD 2.90 million (2021: USD 3.59 million), in accordance with the terms of a facility agreement signed in 2021 and referred to in Note 17 to the financial statements.

10. Long-term loans to a subsidiary

On 30 December 2019, the Company executed a loan agreement with Precious Shipping (Singapore) Pte. Limited ("PSSP") in order to refinance the existing loans amounting to USD 150 million between the Company as lender and PSSP as borrower.

As of 31 December 2022, the outstanding on this long-term loan to PSSP was USD 23 million (2021: USD 77 million).

Movements in the balance of the loans during the years were as follows.

(Unit: Thousand Baht)

	Separate financial statements	
	2022	2021
Balance at beginning of the year	2,571,252	3,378,394
Interest income for the year	440,079	180,669
Decrease	(2,285,751)	(1,361,157)
Reversal of expected credit losses	12,834	-
Translation adjustment	52,190	373,346
Balance at end of the year	<u>790,604</u>	<u>2,571,252</u>

During 2022, the Company reversed the write-down of an allowance for expected credit losses of long-term loans to subsidiary in the amount of Baht 12.83 million (2021: nil). This was mainly because of a revision in the loan repayment schedule, resulting in an adjustment to the future repayment plan. Furthermore, interest income for the year also included a portion from repayment of loans ahead of the plan amounting to Baht 288.81 million (2021: nil).

11. Investments in subsidiaries

These represent investments in ordinary shares and preference shares in the following subsidiaries.

(Unit: Thousand Baht)

Subsidiaries' name	Separate financial statements					
	Paid-up capital		Shareholding		Cost	
	2022	2021	2022	2021	2022	2021
			%	%		
Precious Metals Limited	275,000	275,000	99.99	99.99	366,212	354,106
Precious Wishes Limited	230,000	230,000	99.99	99.99	311,739	301,434
Precious Stones Shipping Limited	260,000	260,000	99.99	99.99	291,203	281,577
Precious Minerals Limited	230,000	230,000	99.99	99.99	264,799	256,046
Precious Lands Limited	306,000	306,000	99.99	99.99	335,124	324,046
Precious Lakes Limited	184,000	184,000	99.99	99.99	193,286	186,897
Precious Oceans Limited	175,000	175,000	99.99	99.99	237,193	229,352
Precious Planets Limited	270,000	270,000	99.99	99.99	321,620	310,988
Precious Diamonds Limited	205,000	205,000	99.99	99.99	201,357	194,701
Precious Sapphires Limited	144,000	144,000	99.99	99.99	136,611	132,095
Precious Emeralds Limited	366,000	366,000	99.99	99.99	327,573	316,745
Precious Rubies Limited	259,360	259,360	99.99	99.99	273,503	264,462
Precious Opals Limited	249,360	249,360	99.99	99.99	264,731	255,980
Precious Garnets Limited	379,000	379,000	99.99	99.99	337,871	326,702
Precious Pearls Limited	173,000	173,000	99.99	99.99	192,977	186,598
Precious Flowers Limited	336,000	336,000	99.99	99.99	372,075	359,776

(Unit: Thousand Baht)

Separate financial statements

Subsidiaries' name	Paid-up capital		Shareholding percentage		Cost	
	2022	2021	2022	2021	2022	2021
			%	%		
Precious Forests Limited	286,000	286,000	99.99	99.99	289,267	279,705
Precious Trees Limited	202,000	202,000	99.99	99.99	225,815	218,351
Precious Ponds Limited	124,000	124,000	99.99	99.99	135,825	131,335
Precious Ventures Limited	202,000	202,000	99.99	99.99	244,942	236,845
Precious Capitals Limited	200,000	200,000	99.99	99.99	271,077	262,116
Precious Jasmynes Limited	567,000	147,000	99.99	99.99	595,246	178,080
Precious Orchids Limited	217,000	217,000	99.99	99.99	208,116	201,237
Precious Lagoons Limited	140,000	140,000	99.99	99.99	189,754	183,481
Precious Resorts Limited	140,000	140,000	99.99	99.99	189,754	183,481
Precious Comets Limited	141,000	141,000	99.99	99.99	144,267	139,498
Precious Ornaments Limited	156,000	156,000	99.99	99.99	158,334	153,100
Precious Moons Limited	1,000	1,000	99.98	99.98	1,056	1,021
Precious Venus Limited	298,800	298,800	99.99	99.99	293,069	283,382
Precious Neptune Limited	298,800	298,800	99.99	99.99	293,069	283,382
Precious Shipping (Panama) S.A.	250	250	99.99	99.99	346	334
Precious Shipping (Singapore) Pte. Limited	363,338	363,338	100.00	100.00	1,943,182	1,878,948
Precious Shipping (UK) Limited	250	250	100.00	100.00	346	334
Great Circle Shipping Agency Limited	210,000	210,000	99.99	99.99	374,801	362,411
Associated Bulk Carriers Pte. Limited	0.0664	0.0664	100.00	100.00	-	-
<u>Indirectly owned Singapore incorporated subsidiaries</u>						
Precious Forests Pte. Ltd.	2,514*	-	67.00	-	2,484	-
Precious Fragrance Pte. Ltd.	2,514*	-	67.00	-	2,485	-
Precious Thoughts Pte. Ltd.	2,514*	-	67.00	-	2,485	-
Precious Comforts Pte. Ltd.	2,542*	-	67.00	-	2,449	-
Precious Sparks Pte. Ltd.	2,514*	-	67.00	-	2,484	-
Precious Visions Pte. Ltd.	2,514*	-	36.00	-	2,485	-
Precious Bridges Pte. Ltd.	2,514*	-	67.00	-	2,485	-
Precious Tides Pte. Ltd.	2,431*	-	67.00	-	2,485	-
Precious Skies Pte. Ltd.	2,431*	-	67.00	-	2,485	-
Precious Grace Pte. Ltd.	2,431*	-	67.00	-	2,485	-
Precious Glories Pte. Ltd.	2,514*	-	67.00	-	2,484	-
Precious Wisdom Pte. Ltd.	2,514*	-	67.00	-	2,484	-
ABC One Pte. Ltd.	3,588*	-	67.00	-	3,456	-
ABC Two Pte. Ltd.	3,588*	-	67.00	-	3,456	-
ABC Three Pte. Ltd.	3,588*	-	67.00	-	3,456	-
ABC Four Pte. Ltd.	3,588*	-	67.00	-	3,456	-
Total investments in subsidiaries					10,029,744	9,258,546
Less: Allowance for loss on investments in subsidiaries					(1,497,151)	(1,447,660)
Total investments in subsidiaries - net					8,532,593	7,810,886

* Paid-up non-voting and non-cumulative preference shares

During 2022, the Company received dividends in the amount of Baht 3,187.15 million from subsidiaries and recognised as dividend income in the separate income statement (2021: Baht 1,246.58 million).

As of 31 December 2022, the Company has pledged the shares of 23 subsidiaries amounting to Baht 2,607.12 million (net of allowance for loss on investments) (2021: 18 subsidiaries amounting to Baht 4,345.33 million), stated under the cost method, with banks to secure the long-term loans referred to in Note 17 to the financial statements.

In addition, as of 31 December 2022, the subsidiaries in Singapore, Precious Shipping (Singapore) Pte. Limited has pledged the shares of 9 subsidiaries amounting to Baht 12.11 million (2021: 11 subsidiaries amounting to Baht 14.18 million), stated under the cost method, and Associated Bulk Carriers Pte. Limited has pledged the shares of 4 subsidiaries amounting to Baht 6.91 million (2021: 4 subsidiaries amounting to Baht 6.68 million), stated under the cost method, with banks to secure the long-term loans referred to in Note 17 to the financial statements.

The changes in cost of investments in subsidiaries is from the exchange differences on translation of functional currency to presentation currency financial statements and capital increase of subsidiary as follows.

On 17 June 2022, the Extraordinary General Meeting of Shareholders of Precious Jasmines Limited (“the Subsidiary”) passed a resolution to increase the registered share capital from Baht 147.0 million (1.47 million ordinary shares with a par value of Baht 100 each) to Baht 567.0 million (5.67 million ordinary shares with a par value of Baht 100 each), by issuing 4.2 million additional ordinary shares with a par value of Baht 100 each, totaling Baht 420.0 million. The Company has implemented the abovementioned increase in share capital for its investment in this subsidiary and registered the increase of its share capital with the Ministry of Commerce in June 2022.

On 2 September 2022, the 6 subsidiaries have registered its dissolution with the Ministry of Commerce. Currently, the subsidiaries are in the process of liquidation.

As of 31 December 2022 and 2021, the amounts under allowance for loss on investments in subsidiaries in the separate financial statements are derived from subsidiaries that have sold vessels and insofar have no plan of buying replacement vessels.

12. Investment in associate held by a subsidiary

12.1 Details of associate held by a subsidiary

(Unit: Thousand Baht)

		Consolidated financial statements						
Associate's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Carrying amounts based on equity method	
			2022	2021	2022	2021	2022	2021
			%	%				
International Seaports (Haldia)								
Private Limited	Port development	India	22.40	22.40	70,426	68,098	80,645	91,238

The change in cost of investment in associate held by a subsidiary is from the exchange differences on translation of financial statements from functional currency to presentation currency.

(Unit: Thousand Baht)

		Consolidated financial statements			
		For the years ended 31 December			
Associate's name	Share of profit		Dividend received		
	2022	2021	2022	2021	
International Seaports (Haldia) Private Limited	29,132	22,799	30,283	19,382	

Share of profit from investment in associate held by a subsidiary for the years ended 31 December 2022 and 2021, included in the consolidated income statements, was calculated based on the financial information of that associate as at 30 September 2022 and 2021, respectively.

12.2 Summarised financial information of associate held by a subsidiary

(Unit: Thousand Baht)

Associate's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues		Profit	
	30 September		30 September		30 September		for the years ended		for the years ended	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Thousand INR										
International Seaports										
(Haldia) Private Limited	440,580	440,580	398,810	451,900	38,789	44,588	573,029	457,946	130,052	101,780

13. Investment in equity instrument of non-listed company

Equity instrument designated at FVOCI is investment in equity instrument of non-listed company which the Group determines as strategic investment, represents investment in 2,026,086 ordinary shares of Baht 10.00 each of TMN Company Limited, representing 3% of total issued and paid-up shares capital. The changes in cost of investment in equity instrument of non-listed company are from measurement at fair value and the exchange differences on translation of financial statements from functional currency to presentation currency.

14. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Vessels and equipment			Furniture, fixtures and office equipment			
	Condominium units	Vessels and equipment	Dry-dock and special survey expenses	Total	Motor vehicles	Leasehold improvement	Total
Cost							
1 January 2022	277,172	28,697,323	571,056	29,268,379	14,637	16,256	29,642,677
Acquisitions	9,926	2,020,820	408,347	2,429,167	1,539	-	2,446,160
Disposals/write-off	-	-	(204,269)	(204,269)	(1,537)	-	(206,161)
Translation adjustment	9,783	908,649	13,270	921,919	501	555	934,789
31 December 2022	296,881	31,626,792	788,404	32,415,196	15,140	16,811	32,817,465
Accumulated depreciation							
1 January 2022	231,000	8,788,308	259,645	9,047,953	13,658	15,613	9,357,696
Depreciation for the year	2,709	1,093,795	215,488	1,309,283	818	197	1,318,179
Depreciation on disposals/write-off	-	-	(204,269)	(204,269)	(1,537)	-	(206,139)
Translation adjustment	7,842	278,860	10,178	289,038	577	531	299,583
31 December 2022	241,551	10,160,963	281,042	10,442,005	13,516	16,341	10,769,319
Net book value							
1 January 2022	46,172	19,909,015	311,411	20,220,426	979	643	20,284,981
31 December 2022	55,330	21,465,829	507,362	21,973,191	1,624	470	22,048,146
Depreciation for the year							
2022							1,318,179

(Unit: Thousand Baht)

Consolidated financial statements

	Vessels and equipment		Furniture, fixtures and office equipment		Motor vehicles	Leasehold improvement	Total
	Vessels and equipment	Dry-dock and special survey expenses	Total	Total			
Cost							
1 January 2021	246,422	25,743,274	623,486	26,366,760	14,451	14,806	26,702,291
Acquisitions	2,853	54,634	192,936	247,570	-	-	255,979
Disposals/write-off	-	-	(313,692)	(313,692)	(1,313)	(205)	(321,241)
Translation adjustment	27,897	2,899,415	68,326	2,967,741	1,499	1,655	3,005,648
31 December 2021	277,172	28,697,323	571,056	29,268,379	14,637	16,256	29,642,677
Accumulated depreciation							
1 January 2021	205,811	6,997,892	302,194	7,300,086	11,494	13,956	7,577,732
Depreciation for the year	1,934	963,440	236,224	1,199,664	2,219	288	1,208,002
Depreciation on disposals/write-off	-	-	(313,692)	(313,692)	(1,313)	(205)	(321,215)
Translation adjustment	23,255	826,976	34,919	861,895	1,258	1,574	893,177
31 December 2021	231,000	8,788,308	259,645	9,047,953	13,658	15,613	9,357,696
Net book value							
1 January 2021	40,611	18,745,382	321,292	19,066,674	2,957	850	19,124,559
31 December 2021	46,172	19,909,015	311,411	20,220,426	979	643	20,284,981
Depreciation for the year							
2021							1,208,002

(Unit: Thousand Baht)

	Separate financial statements			
	Furniture, fixtures and office equipment	Motor vehicles	Leasehold improvement	Total
Cost				
1 January 2022	24,749	14,637	11,141	50,527
Acquisitions	3,796	1,539	-	5,335
Disposals/write-off	(348)	(1,537)	-	(1,885)
Translation adjustment	664	501	381	1,546
31 December 2022	28,861	15,140	11,522	55,523
Accumulated depreciation				
1 January 2022	17,935	13,658	10,812	42,405
Depreciation for the year	2,205	818	111	3,134
Depreciation on disposals/write-off	(326)	(1,537)	-	(1,863)
Translation adjustment	577	577	368	1,522
31 December 2022	20,391	13,516	11,291	45,198
Net book value				
1 January 2022	6,814	979	329	8,122
31 December 2022	8,470	1,624	231	10,325
Depreciation for the year 2022				<u>3,134</u>

(Unit: Thousand Baht)

	Separate financial statements			
	Furniture, fixtures and office equipment	Motor vehicles	Leasehold improvement	Total
Cost				
1 January 2021	23,189	14,451	10,209	47,849
Acquisitions	3,460	-	-	3,460
Disposals/write-off	(4,586)	(1,313)	(205)	(6,104)
Translation adjustment	2,686	1,499	1,137	5,322
31 December 2021	24,749	14,637	11,141	50,527
Accumulated depreciation				
1 January 2021	18,925	11,494	9,819	40,238
Depreciation for the year	1,478	2,219	101	3,798
Depreciation on disposals/write-off	(4,568)	(1,313)	(205)	(6,086)
Translation adjustment	2,100	1,258	1,097	4,455
31 December 2021	17,935	13,658	10,812	42,405
Net book value				
1 January 2021	4,264	2,957	390	7,611
31 December 2021	6,814	979	329	8,122
Depreciation for the year				
2021				3,798

On 30 May 2022, Precious Stones Shipping Limited and Precious Jasmines Limited (“the subsidiaries”) signed a Memorandum of Agreement (MOA) to acquire two secondhand vessels for an aggregate price of USD 51.0 million, which have been named “Phatra Naree” and “Pavida Naree”, respectively. The subsidiaries took delivery of the vessels on 13 June 2022 and 25 July 2022, respectively and the vessels were registered in Thailand.

As at 31 December 2022, certain condominium units and equipment items have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to Baht 304.94 million (2021: Baht 286.59 million) in the consolidated financial statements and Baht 39.00 million (2021: Baht 30.09 million) in the separate financial statements.

As at 31 December 2022, the subsidiaries have mortgaged 25 vessels (2021: 33 vessels) with net book value of Baht 15,202.12 million (2021: Baht 19,265.67 million) with banks to secure long-term loans as referred to in Note 17 to the financial statements.

15. Intangible assets

Details of intangible assets which are computer software are as follows.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Cost				
Cost at beginning of year	64,865	58,300	64,418	57,898
Acquisitions	401	-	294	-
Translation adjustment	2,195	6,565	2,186	6,520
Cost at end of year	67,461	64,865	66,898	64,418
Accumulated amortisation				
Accumulated amortisation at beginning of year	58,494	51,394	58,328	51,313
Amortisation for the year	1,410	1,261	1,320	1,189
Translation adjustment	1,973	5,839	1,969	5,826
Accumulated amortisation at end of year	61,877	58,494	61,617	58,328
Net book value as at 31 December	5,584	6,371	5,281	6,090
Amortisation for the year	1,410	1,261	1,320	1,189

16. Deferred contract costs

Movements of the deferred contract costs account during the years ended 31 December 2022 and 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2022	2021
Balance at beginning of year	143,371	145,482
Amortisation for the year	(19,490)	(17,780)
Translation adjustment	5,263	15,669
Balance at end of year	129,144	143,371

17. Long-term loan facilities

As of 31 December 2022 and 2021, long-term loan accounts are presented below.

Consolidated financial statements												
As at 31 December 2022												
	Facility 1	Facility 2	Facility 3	Facility 4	Facility 5	Facility 6	Facility 7	Facility 8	Facility 9	Facility 10	Facility 11	Total
Long-term loans	1,288,084	-	-	437,748	-	750,004	148,964	139,632	1,088,878	2,355,611	541,766	6,750,687
Add (less): Deferred financial fees	22,330	-	-	(2,425)	-	(1,506)	(2,120)	(421)	(12,100)	(39,856)	(5,516)	(41,614)
Total	1,310,414	-	-	435,323	-	748,498	146,844	139,211	1,076,778	2,315,755	536,250	6,709,073
Less: Current portion	(200,090)	-	-	(40,495)	-	(96,580)	(28,790)	(139,211)	(187,149)	(371,969)	(97,500)	(1,161,784)
Long-term loans - net of current portion	1,110,324	-	-	394,828	-	651,918	118,054	-	889,629	1,943,786	438,750	5,547,289

(Unit: Thousand Baht)

Consolidated financial statements											
As at 31 December 2021											
	Facility 1	Facility 2	Facility 3	Facility 4	Facility 5	Facility 6	Facility 7	Facility 8	Facility 9	Facility 10	Total
Long-term loans	1,435,670	554,394	305,479	462,653	303,047	818,788	172,279	270,033	1,235,899	2,715,994	8,274,236
Add (less): Deferred financial fees	33,902	(9,792)	(2,918)	(2,840)	(1,685)	(1,927)	(3,069)	(1,450)	(16,756)	(49,839)	(56,374)
Total	1,469,572	544,602	302,561	459,813	301,362	816,861	169,210	268,583	1,219,143	2,666,155	8,217,862
Less: Current portion	(194,699)	(141,758)	(40,342)	(39,133)	(301,362)	(93,356)	(27,736)	(134,292)	(180,512)	(255,413)	(1,408,603)
Long-term loans - net of current portion	1,274,873	402,844	262,219	420,680	-	723,505	141,474	134,291	1,038,631	2,410,742	6,809,259

(Unit: Thousand Baht)

Movements of the long-term loans accounts during the years ended 31 December 2022 and 2021 are summarised below.

	Consolidated financial statements											(Unit: Thousand Baht)
	Facility 1	Facility 2	Facility 3	Facility 4	Facility 5	Facility 6	Facility 7	Facility 8	Facility 9	Facility 10	Facility 11	
Balance as at 1 January 2022	1,469,572	544,602	302,561	459,813	301,362	816,861	169,210	268,583	1,219,143	2,666,155	-	8,217,862
Add: Drawdown	-	-	-	-	-	-	-	-	-	-	591,824	591,824
Amortisation of financial fees	(12,957)	10,081	3,011	521	1,722	495	1,072	1,092	5,321	11,905	1,071	23,334
Less: Deferred financial fees	-	-	-	-	-	-	-	-	-	-	(6,539)	(6,539)
Repayment	(200,315)	(53,508)	(10,101)	(41,476)	(250,884)	(98,570)	(29,747)	(142,223)	(192,784)	(274,095)	(52,050)	(1,345,753)
Prepayment	-	(518,754)	(305,808)	-	(63,403)	-	-	-	-	(191,723)	-	(1,079,688)
Exchange losses	-	-	-	-	2,441	-	-	-	-	-	-	2,441
Translation adjustment	54,114	17,579	10,337	16,465	8,762	29,712	6,309	11,759	45,098	103,513	1,944	305,592
Balance as at 31 December 2022	1,310,414	-	-	435,323	-	748,498	146,844	139,211	1,076,778	2,315,755	536,250	6,709,073

	Consolidated financial statements											(Unit: Thousand Baht)
	Facility 1	Facility 2	Facility 3	Facility 4	Facility 5	Facility 6	Facility 7	Facility 8	Facility 9	Facility 10	Other facility	
Balance as at 1 January 2021	1,504,098	583,680	281,256	448,187	650,523	817,818	176,416	-	-	-	1,768,369*	6,230,347
Add: Drawdown	-	-	-	-	-	-	-	318,187	1,268,231	2,810,942	-	4,397,360
Amortisation of financial fees	(13,207)	6,462	990	505	5,796	496	1,119	900	2,625	3,468	5,685	14,839
Less: Deferred financial fees	-	-	-	-	-	-	-	(2,227)	(19,192)	(52,753)	-	(74,172)
Repayment	(182,744)	(108,067)	(11,391)	(37,838)	(391,445)	(89,924)	(27,137)	(67,165)	(45,768)	(89,509)	(378,575)	(1,429,563)
Prepayment	-	-	-	-	-	-	-	-	-	(35,227)	(1,549,378)	(1,584,605)
Unrealised exchange gain	-	-	-	-	(19,794)	-	-	-	-	-	-	(19,794)
Translation adjustment	161,425	62,527	31,706	48,959	56,282	88,471	18,812	18,888	13,247	29,234	153,899	683,450
Balance as at 31 December 2021	1,469,572	544,602	302,561	459,813	301,362	816,861	169,210	268,583	1,219,143	2,666,155	-	8,217,862

* On 25 May 2021, 7 September 2021 and 8 September 2021, the Company prepaid all outstanding loans.

The Group's bank loan facilities are summarised below:

Facility	Bank	Borrower	Interest rate per loan/amendment agreement
Facility 1	Export-Import Bank of Thailand	The Company and local subsidiaries	LIBOR + margin
Facility 2	BNP Paribas	The Company and indirect subsidiaries in Singapore	LIBOR + margin
Facility 3	BNP Paribas	The Company and indirect subsidiary in Singapore	LIBOR + margin
Facility 4	Export-Import Bank of Thailand	The Company and local subsidiary	LIBOR + margin
Facility 5	Krung Thai Bank PLC. and 2 other banks, total 3 banks	The Company and local subsidiaries	MLR-1 for Thai Baht loan and LIBOR + margin for USD loan
Facility 6	Export-Import Bank of Thailand	The Company and local subsidiaries	LIBOR + margin
Facility 7	SinoPac Capital International (HK) Limited	Indirect subsidiary in Singapore	LIBOR + margin
Facility 8	Export-Import Bank of Thailand	The Company and local subsidiary and indirect subsidiary in Singapore	LIBOR + margin
Facility 9	Crédit Agricole Corporate and Investment Bank	Indirect subsidiaries in Singapore	LIBOR + margin
Facility 10	International Finance Corporation, Export-Import Bank of Thailand and TMBThanachart Bank Public Company Limited	Indirect subsidiaries in Singapore	LIBOR + margin
Facility 11	Bangkok Bank PLC. (Singapore Branch)	Indirect subsidiary in Singapore	SOFR + margin

As at 31 December 2022 and 2021, the Group did not have an undrawn loan balance.

The details of each loan facility are summarised as follows:

Facility 1

On 29 May 2014, the Company executed a USD 81.50 million Term Loan Facility with Export-Import Bank of Thailand to finance up to 80% of the Contract Price of new dry bulk carriers ordered for construction by the Company. The loan carries interest at LIBOR plus margin which is to be paid quarterly.

The amount of loan facility, drawdown, final maturity, repayment and security of the loan facility are summarised as follows.

Facility / Description	Post-delivery facility
Loan Facility	Up to USD 81,500,000 in multiple drawdowns
Drawdown	80% of the contract price to be drawn upon delivery of each vessel
Final maturity	10 years after full drawdown of the loan facility but not later than 30 December 2025
Repayment	The loan shall be repaid in 39 equal quarterly installments of 1/55th of each drawdown amount, beginning from the end of the next quarter after the respective each drawdown with balance amount repayable at the end of the 40th quarter.
Security	a) 1st priority mortgage on the financed vessels b) Pledge of shares of the Subsidiary Borrowers

The loan agreement contains covenants that, among other things, require the Company to maintain certain financial ratios on its consolidated USD financial statements which include:

- a) maintenance of Debt Service Coverage Ratio at least 1.1:1;
- b) maintenance of Net Funded Debt to EBITDA ratio not exceeding 5:1;
- c) maintenance of Debt to Equity ratio not exceeding 2:1.

On 12 July 2019, the Company and 4 local subsidiaries executed an Amendment Agreement with Export-Import Bank of Thailand, whereby the financial covenant in relation to the net funded debt to EBITDA ratio was replaced with two financial covenants. After the amendments, the financial covenants are as follows:

- a) Debt service coverage ratio of at least 1.1:1;
- b) Debt to equity ratio not exceeding 2:1 with minimum total shareholders' equity of USD 300,000,000;
- c) Minimum free cash balance of USD 100,000 per vessel owned by the Group.

On 13 May 2020, the Company and 4 local subsidiaries ("the Borrowers") executed an Amendment Agreement with Export-Import Bank of Thailand ("the Lender"), whereby no principal repayment was due and payable on the repayment date in June 2020 and September 2020. The Borrowers shall repay the abovementioned principal amounts to the Lender on the last repayment date.

Facility 2

On 29 December 2014, the Company executed a USD 42.00 million Secured Loan Facility with BNP Paribas (“BNP”) to finance up to 75% of the Contract Price of 2 new 64,000 DWT Ultramax Dry Bulk Vessels (Hull Nos. SF130128 and SF130129), ordered by the Company from Taizhou Sanfu Ship Engineering Co., Ltd. China. The loan carries interest at LIBOR plus margin which is to be paid quarterly.

On 29 April 2016, the Company and Precious Tides Pte. Ltd. executed a Supplemental Deed with BNP to amend certain terms of the loan facility. After the amendment, the main details of the loan facility are summarised as follows.

Facility / Description	Post-delivery facility
Loan Facility	Up to USD 37,500,000 divided into two vessel loans for Vessel Hull no. SF130128 and SF130126 (“Vessel Loan” or “Vessel Loans”)
Drawdown	Up to the lower of USD 18,750,000 or 75% of the market value of each vessel to be drawn upon delivery of each vessel.
Final maturity	8 years after drawdown of each Vessel Loan
Repayment	Each Vessel Loan shall be repaid over 8 years, in 32 quarterly installments beginning from three calendar months after each drawdown. The 1st to 16th such quarterly installment shall be an amount of USD 312,500 and the 17th to 32nd such quarterly installment shall be an amount of USD 468,750 along with a balloon repayment of USD 6,250,000 on the due date of each of the final installments of the respective Vessel Loan.
Security	<ul style="list-style-type: none"> a) 1st priority mortgage on the vessels b) Pledge of shares of the Subsidiary Borrowers c) 1st priority charge over the Earnings Account and Retention Account of the Subsidiary Borrowers d) 1st priority assignment of all insurance and requisition compensation of the vessels

The loan agreement and Supplemental Agreement dated 18 April 2018 contains covenants that, among other things, require the Company to maintain certain financial ratios on its consolidated USD financial statements which include:

- a) maintenance of funded debt to total shareholders’ equity ratio not exceeding 2:1;
- b) maintenance of a minimum free cash balance of USD 100,000 per vessel owned by the Group;
- c) Permanent waiver the requirement to comply with the Funded Debt to EBITDA ratio on the condition that the Value to Loan coverage be increased from 125% to 135%.

On 15 April 2020, the Company along with its indirect subsidiaries in Singapore, Precious Skies Pte. Ltd. and Precious Tides Pte. Ltd., have executed a first amendment and restatement deed (“Deed”) in relation to Term Loan Facility Dated 29 December 2014, mainly to upsize the original Loan by an additional loan amount of up to USD 10.60 million (“Upsize Loan”). The loan carries interest at LIBOR plus margin which is to be paid quarterly.

The main details of the Upsize Loan are summarised as follows.

Facility	Description
Upsize Loan Facility	The maximum amount of USD 10,600,000 divided into two tranches; a Green Tranche and a General Tranche.
Purposes	The Green Tranche is to finance and/or refinance part of the aggregate cost related to Ballast Water Treatment Systems. The Company has obtained the second party opinion on the Green financing from Vigeo Eiris. The General Tranche is for general corporate use.
Drawdown Amount	USD 10,600,000 in one lump sum
Final maturity	4 years after the drawdown
Repayment	The loans shall be repaid over 4 years, in 16 equal quarterly installments of USD 662,500 beginning from three calendar months after the drawdown.
Additional Security:	1st priority assignment of any charterparties (for a period of 36 months or more)

The loan agreement contains covenants that, among other things, require the Company to maintain certain financial ratios on its quarterly consolidated USD financial statements which include:

- a) maintenance of funded debt to total shareholders’ equity ratio not exceeding 2:1;
- b) maintenance of a minimum total shareholders’ equity of USD 300,000,000;
- c) maintenance of a minimum free cash balance of USD 200,000 per vessel owned by the Group.

On 20 April 2020, the Company had drawn down the loan amounting to USD 10.60 million.

Facility 3

On 9 June 2017, the Company along with its indirect subsidiary in Singapore, Precious Grace Pte. Ltd., executed a USD 16.25 million Secured Loan Facility with BNP Paribas to refinance up to 65% of the lower of the Contract Price or market value of one 63,345 DWT Ultramax Dry Bulk Vessel (Hull No. SF130127) (“Vessel”). The loan carries interest at LIBOR plus margin which is to be paid quarterly.

The main details of the loan facility are summarised as follows.

Facility / Description	Post-delivery facility
Loan Facility	Up to USD 16,250,000
Drawdown	The lower of USD 16,250,000 or 65% of the market value of the vessel
Final maturity	8 years after the drawdown
Repayment	The loans shall be repaid over 8 years, in 32 equal quarterly installments of USD 338,542 beginning from three calendar months after the drawdown plus a balloon repayment of USD 5,416,656 together with the last installment.
Security	<ul style="list-style-type: none"> a) 1st priority mortgage on the vessel b) Pledge of shares of the Subsidiary Borrower c) 1st priority charge over the Earnings Account and Retention Account of the Subsidiary Borrower d) 1st priority assignment of all insurance and requisition compensation of the vessel e) 1st priority assignment of any charterparties (for a period of 36 months or more)

The loan agreement contains covenants that, among other things, require the Company to maintain certain financial ratios on its consolidated USD financial statements which include:

- a) maintenance of funded debt to total shareholders' equity ratio not exceeding 2:1;
- b) maintenance of a minimum total shareholders' equity of USD 300,000,000;
- c) maintenance of a minimum free cash balance of USD 200,000 per vessel owned by the Group.

On 5 April 2022, the Group prepaid the loan outstanding under the BNP Paribas facility in full.

Facility 4

On 15 December 2017, the Company along with its subsidiary, Precious Forests Limited, executed a USD 18.00 million Secured Loan Facility with Export-Import Bank of Thailand to refinance up to 72% of the market value of one 63,345 DWT Ultramax Dry Bulk Vessel (Hull No. SF130129) ("Vessel"). The loan carries interest at LIBOR plus margin which is to be paid quarterly.

The main details of the loan facility are summarised as follows.

Facility / Description	Post-delivery facility
Loan Facility	Up to USD 18,000,000
Drawdown	The lower of USD 18,000,000 or 72% of the market value of the vessel
Final maturity	10 years after the drawdown
Repayment	The loans shall be repaid over 10 years in 39 equal quarterly installments of 1/55 th of the drawdown amount each, beginning from the end of the next quarter after the drawdown with balance amount repayable at the end of the 40 th quarter.
Security	a) 1st priority mortgage on the vessel b) Pledge of shares of the Subsidiary Borrower

The loan agreement contains covenants that, among other things, require the Company to maintain certain financial ratios on its consolidated USD financial statements which include:

- a) maintenance of debt to total shareholders' equity ratio not exceeding 2:1;
- b) maintenance of a minimum total shareholders' equity of USD 300,000,000;
- c) maintenance of a minimum free cash balance of USD 100,000 per vessel owned by the Group.

On 9 August 2019, the Company had drawn down the loan amounting to USD 16.20 million.

On 13 May 2020, the Company along with its subsidiary ("the Borrowers") executed an Amendment Agreement with Export-Import Bank of Thailand ("the Lender"), whereby no principal repayment was due and payable on the repayment date in June 2020 and September 2020. The Borrowers shall repay the abovementioned principal amounts to the Lender on the last repayment date.

Facility 5

The Company and local subsidiaries entered into the Loan Agreement dated 18 January 2007 to fund the purchase of vessels. During 2009 to 2011, certain terms and conditions of the Loan Agreement were amended.

The summarised details of drawdown of this facility are as follows.

- a) During the years 2011 and 2010, 2 local subsidiaries had drawn down Baht 1,502.35 million for the purchase of 2 vessels.
- b) During the year 2011, 4 local subsidiaries had drawn down USD 92.00 million from this facility and the undrawn facility was reduced to USD 108.00 million. In order to extend the availability period of the undrawn facility, on 9 March 2012, the Company and local subsidiaries executed a USD 50.00 million Term Loan Facility on same the terms and conditions with one of the three local commercial banks and the loan was used for the purchase of vessels by 2 local subsidiaries and thereafter the balance of USD 58.00 million was cancelled.
- c) During the years 2011 and 2010, 2 local subsidiaries swapped the Thai Baht loan of Baht 1,502.35 million into USD 45.90 million.
- d) During the year 2012, 4 local subsidiaries swapped the interest of the USD loans of USD 64.82 million, from floating interest rates (LIBOR) to fixed interest rate (2.10%) for interest payable during the period from 31 December 2014 to 30 September 2022.

The loan facilities have been secured by the mortgage of the subsidiaries' vessels, the pledge of the subsidiaries' shares, the assignment of the beneficiary rights under the insurance policies for the mortgaged vessels of the subsidiaries, and the assignment of the revenues earned from the mortgaged vessels of the subsidiaries to the lenders.

The loan facility agreement contains covenants that, among other things, require the Company and subsidiaries to maintain certain financial ratios which include:

- a) maintenance of total debt to total shareholders' equity ratio not exceeding 2:1;
- b) maintenance of total debt to EBITDA ratio not exceeding 5:1;
- c) maintenance of minimum free cash balance of USD 100,000 per vessel;
- d) maintenance of debt service coverage ratio of at least 1.1:1

On 28 September 2018, the Company prepaid the loan outstanding under the Thanachart Bank PLC facility.

On 30 September 2022, the Group fully repaid loan Facility 5 from Krung Thai Bank Plc, Bank of Ayudhya Plc and TMBThanachart Bank Plc.

Facility 6

On 13 December 2019, the Company along with 5 local subsidiaries executed a USD 28.00 million Term loan Facility with Export-Import Bank of Thailand for (i) redemption of any of the debentures issued by the Company, (ii) repayment/prepayment of any loan of the Company and/or its subsidiaries from financial institutions, and/or (iii) acquisition of vessels. The loan carries interest at LIBOR plus margin which is to be paid quarterly.

The main details of the loan facility are summarised as follows.

Facility	Description
Loan Facility	Up to USD 28,000,000
Drawdown	Each subsidiary may drawdown in the aggregate amount not exceeding USD 5.60 million.
Final maturity	7 years after the drawdown
Repayment	The loans shall be repaid over 7 years, in 27 equal quarterly installments of 1/40 th of the drawdown amount each, beginning from the end of the next quarter after the drawdown with balance amount repayable at the end of the 28 th quarter.
Security	a) 2 nd priority mortgage on the vessel b) Pledge of the debt service reserve account of the Company

The loan agreement contains covenants that, among other things, require the Company to maintain certain financial ratios on its year end consolidated USD financial statements starting from year end 2020 which include:

- a) maintenance of debt to total shareholders' equity ratio not exceeding 2:1;
- b) maintenance of a minimum total shareholders' equity of USD 300,000,000;
- c) maintenance of a minimum free cash balance of USD 100,000 per vessel owned by the Group.

On 31 January 2020, the Company had drawn down the loan amounting to USD 28.00 million.

On 13 May 2020, the Company and 5 local subsidiaries ("the Borrowers") executed an Amendment Agreement with Export-Import Bank of Thailand ("the Lender"), whereby no principal repayment was due and payable on the repayment date in June 2020 and September 2020. The Borrowers shall repay the abovementioned principal amounts to the Lender on the last repayment date.

Facility 7

On 17 November 2020, Precious Visions Pte. Limited., (“the Borrower”), the Company’s indirect subsidiary in Singapore, executed a USD 6 million Term loan Facility with SinoPac Capital International (HK) Limited to refinance a Supramax Dry Bulk Vessel (the “Vessel”). The loan carries interest at LIBOR plus margin which is to be paid quarterly.

The main details of the loan facility are summarised as follows.

Facility	Description
Loan Facility	Up to USD 6,000,000
Drawdown	USD 6,000,000
Final maturity	5 year after the drawdown
Repayment	The loans shall be repaid over 5 years, in 20 equal quarterly installments of USD 211,250 beginning three calendar months after the drawdown plus a balloon payment of USD 1,775,000 together with the last installment.
Security	a) 1st priority mortgage on the vessel b) 1st priority assignment of all insurances and requisition compensation earnings and any charterparties (for a period of 12 months or more) of the Vessel c) Guarantee from the Company

Facility 8

On 30 April 2021, the Company along with 2 subsidiaries executed a USD 10.10 million Term loan Facility with Export-Import Bank of Thailand (“EXIM”) to be used for refinancing the loan provided by EXIM under the loan agreement dated 28 May 2020. The loan carries interest at LIBOR plus margin which is to be paid quarterly.

The final maturity, repayment and security of the loan facility are summarised as follows.

Facility	Description
Loan facility	Up to USD 10,100,000
Drawdown	USD 10,100,000
Final maturity	Not exceeding 2.5 years
Repayment	The loan shall be repaid in 10 quarterly installments of USD 1,010,000, beginning from the end of the next quarter after drawdown date with balance amount repayable at the end of the 10 th quarter.
Security	a) 1 st priority mortgage on the vessel b) Pledge of shares of the Subsidiary Borrower c) 1 st priority assignment of any charterparties with a period exceeding 12 months.

The loan agreement contains covenants that, among other things, require the Company to maintain certain financial ratios on its year end consolidated USD financial statements which include:

- a) maintenance of debt to total shareholders' equity ratio not exceeding 2:1;
- b) maintenance of a minimum total shareholders' equity of USD 300,000,000;
- c) maintenance of a minimum free cash balance of USD 200,000 per vessel owned by the Group.

Facility 9

On 21 June 2021, the Company's 6 indirect subsidiaries incorporated in Singapore have executed a USD 38.35 million Senior Secured Amortizing Term Loan Agreement ("Agreement") with Crédit Agricole Corporate and Investment Bank ("CACIB"). The proceeds were used to reimburse Precious Shipping (Singapore) Pte. Ltd. ("PSSP") for the intra-group loans owed by the Subsidiaries. The Company and PSSP, the Company's Singapore subsidiary, are the Guarantors under the Agreement. The loan carries interest at LIBOR plus margin which is to be paid quarterly.

The final maturity, repayment and security of the loan facility are summarised as follows.

Facility	Description																					
Loan facility	Up to USD 38,350,000																					
Drawdown	The lower of USD 38,350,000 or 65% of the market value of each vessel																					
Final maturity	5 years after the drawdown																					
Repayment	<p>The loan under each Tranche shall be repaid over 5 years, in 20 equal quarterly installments beginning three calendar months after the drawdown date together with a balloon (except Tranche F) payable on final maturity of the loan.</p> <table border="1"> <thead> <tr> <th>Tranche</th> <th>Quarterly Installment Amount (USD)</th> <th>Balloon Payment Amount (USD)</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>230,208</td> <td>3,683,340</td> </tr> <tr> <td>B</td> <td>223,438</td> <td>4,468,740</td> </tr> <tr> <td>C</td> <td>257,292</td> <td>1,029,160</td> </tr> <tr> <td>D</td> <td>257,292</td> <td>1,029,160</td> </tr> <tr> <td>E</td> <td>189,583</td> <td>758,340</td> </tr> <tr> <td>F</td> <td>211,250</td> <td>Nil</td> </tr> </tbody> </table>	Tranche	Quarterly Installment Amount (USD)	Balloon Payment Amount (USD)	A	230,208	3,683,340	B	223,438	4,468,740	C	257,292	1,029,160	D	257,292	1,029,160	E	189,583	758,340	F	211,250	Nil
Tranche	Quarterly Installment Amount (USD)	Balloon Payment Amount (USD)																				
A	230,208	3,683,340																				
B	223,438	4,468,740																				
C	257,292	1,029,160																				
D	257,292	1,029,160																				
E	189,583	758,340																				
F	211,250	Nil																				

Facility	Description
Security	a) Guarantee from the Guarantors b) 1 st priority mortgage on the 6 Vessels c) Pledge of shares in the 6 Subsidiaries d) 1 st priority assignment of insurances and requisition compensation, earnings, any charterparties (for a period of 12 months or more) and any charter guarantee in relation to the Vessels e) 1 st priority charge over the Borrowers' Earnings Accounts and Retention Accounts f) 1 st priority charge over the Borrowers' rights under the hedging agreement

The loan agreement contains covenants that, among other things, require the Company to maintain certain financial ratios on its quarterly consolidated USD financial statements which include:

- a) maintenance of the maximum funded debt to total shareholders' equity ratio of 2:1;
- b) maintenance of a minimum total shareholders' equity of USD 300,000,000;
- c) maintenance of a minimum free cash balance of USD 200,000 per vessel owned by the Group.

On 8 July 2021, the Subsidiaries completed drawdown of USD 38.35 million and entered into Interest Rate Swap Transactions, to swap the interest of the loan facility of USD 38.35 million, from a floating interest rate (LIBOR) to a fixed interest rate.

Facility 10

On 29 June 2021, the Company's 5 indirect subsidiaries incorporated in Singapore as the Borrowers signed a USD 85.00 million Senior Secured Sustainability-Linked Amortizing Term Loan Facility ("Loan Facility") with International Finance Corporation, Export-Import Bank of Thailand and TMBThanachart Bank Public Company Limited, to refinance 4 Cement Carriers, 1 Supramax Dry Bulk Vessel and to redeem the remaining outstanding principal of the Company's PSL211A Debentures. The loan carries interest at LIBOR plus margin which is to be paid quarterly.

The final maturity, repayment and security of the loan facility are summarised as follows.

Facility	Description
Loan facility	Up to USD 85,000,000
Drawdown	Totally USD 85,000,000
Final maturity	30 June 2029
Repayment	The Loan, shall be repaid over a maximum tenor of 8 years, in 32 quarterly installments as the amounts stipulated in the agreement beginning on 30 December 2021 together with a balloon payment payable on final maturity of the Loan.
Guarantors	<ul style="list-style-type: none"> a) Precious Shipping Public Company Limited (the "Company") b) Precious Shipping (Singapore) Pte. Ltd., Singapore subsidiary of the Company c) Associated Bulk Carriers Pte. Ltd., Singapore subsidiary of the Company
Security	<ul style="list-style-type: none"> a) Guarantee from the Guarantors; b) 1st priority mortgage on the 5 Vessels; c) Pledge of shares in the 5 Subsidiaries; d) 1st priority assignment of the long-term charter contracts in relation to the 5 Vessels; e) 1st priority general assignment of insurances, requisition compensation and earnings in relation to the 5 Vessels; f) 1st priority charge over the earnings and retention accounts of the Borrowers.

The loan agreement contains covenants that, among other things, require the Borrowers to maintain Debt Service Coverage Ratio on their year end consolidated USD financial statement at least 1.1:1.

On 15 September 2021, the Subsidiaries completed drawdown of USD 85.00 million.

On 23 December 2021, 5 Subsidiaries entered into Interest Rate Swap Transactions from floating interest rate (LIBOR) to fixed interest rate on 4 facilities for a total of USD 67.65 million for interest payable during the period 28 December 2021 to 30 June 2029 and one facility of USD 7.84 million for interest payable during the period 28 December 2021 to 30 June 2027.

Facility 11

On 20 June 2022, Precious Grace Pte. Ltd., one of the Company's Singapore incorporated subsidiaries as Borrower and the Company as Guarantor executed a USD 17.10 million Senior Secured Amortizing Term Loan Agreement ("Agreement") with Bangkok Bank Public Company Limited, Singapore Branch, mainly to reimburse or refinance any shareholder's loan which was used to support the Borrower's operations and to provide intercompany loans for the Guarantor's vessel acquisitions. The loan carries interest at USD SOFR plus margin which is to be paid quarterly.

The main details of the loan facility are summarised as follows.

Facility	Description
Loan Facility	Up to USD 17,100,000
Drawdown	The lower of USD 17,100,000 or 60% of the market value of the vessel
Final maturity	6 years after the drawdown
Repayment	The Loan shall be repaid in 24 quarterly installments of USD 712,500 beginning from three calendar months after the drawdown date.
Security	a) 1st priority mortgage on the Borrower's vessel b) Pledge of shares of the Borrower c) 1st priority charge over the Earnings Account and Retention Account of the Borrower d) 1st priority assignment of all insurance and requisition compensation, earnings and any charterparties (for a period of 12 months or more) of the Borrower's vessel e) Guarantee from the Guarantor

The loan agreement contains covenants that, among other things, require the Company to maintain certain financial ratios on its consolidated USD financial statements which include:

- a) maintenance of net debt to total shareholders' equity ratio not exceeding 2:1;
- b) maintenance of a minimum total shareholders' equity of USD 225,000,000.

In addition, the loan agreement requires the Borrower to maintain certain financial ratios on its USD financial statements which include:

- a) maintenance of a minimum free cash balance of USD 100,000 per vessel;
- b) maintenance of debt service coverage ratio of at least 1.2:1.

As at 31 December 2022, the Subsidiaries deposited USD 2.90 million (2021: USD 3.59 million) in the debt service reserve account (DSRA) in accordance with the terms of the loan facility. The required minimum balance for the DSRA is reviewed by the lenders once a year.

18. Leases

The Group as a lessee has lease contracts for various items of assets used in its operations. Leases generally have lease terms between 4-8 years.

a) Right-of-use assets

Movements of right-of-use assets which are buildings for the years ended 31 December 2022 and 2021 are summarised below:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
As at 1 January 2021	24,159	20,368
Depreciation for the year	(5,652)	(4,405)
Translation adjustment	2,491	2,115
As at 31 December 2021	20,998	18,078
Depreciation for the year	(6,195)	(4,829)
Translation adjustment	830	707
As at 31 December 2022	15,633	13,956

b) Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2022	2021	2022	2021
Lease payments	16,508	22,544	14,887	19,626
Less: Deferred interest expenses	(1,738)	(2,748)	(1,674)	(2,556)
Total	14,770	19,796	13,213	17,070
Less: Portion due within one year	(5,705)	(5,419)	(4,459)	(4,207)
Lease liabilities - net of current portion	9,065	14,377	8,754	12,863

Movements of the lease liability account for the years ended 31 December 2022 and 2021 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2022	2021	2022	2021
Balance at beginning of year	19,796	24,865	17,070	21,001
Accretion of interest	(1,738)	(2,748)	(1,674)	(2,556)
Repayments	(7,072)	(6,435)	(5,553)	(5,050)
Translation adjustment	3,784	4,114	3,370	3,675
Balance at end of year	14,770	19,796	13,213	17,070

c) Expenses relating to leases that are recognised in income statement

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Depreciation expense of right-of-use assets	6,195	5,652	4,829	4,405
Interest expense on lease liabilities	1,121	1,303	985	1,115

19. Provision for maritime claims

(Unit: Thousand Baht)

	Consolidated financial statements	
	2022	2021
Balance at beginning of year	39,225	67,069
Increase during the year	38,279	49,877
Decrease (including actual claims) during the year	(22,976)	(85,627)
Translation adjustment	906	7,906
Balance at end of year	55,434	39,225

20. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensation payable on employees' retirement, was as follows.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Provision for long-term employee benefits at beginning of year	175,293	166,064	129,467	124,997
Included in income statement:				
Current service cost	9,746	10,350	5,620	6,172
Interest cost	1,860	1,979	1,179	1,355
Included in other comprehensive income:				
Actuarial gain arising from Financial assumptions changes	(37,595)	-	(24,665)	-
Experience adjustments	(9,800)	-	(6,059)	-
Benefits paid during the year	(9,441)	(3,080)	(8,160)	(3,080)
Translation adjustment	49	(20)	39	23
Provision for long-term employee benefits at end of year	130,112	175,293	97,421	129,467

The Group expects to pay Baht 27.89 million of long-term employee benefits during the next year (The Company only: Baht 26.83 million) (2021: Baht 21.26 million, The Company only: Baht 18.42 million).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefit is 5 years (The Company only: 5 years) (2021: 7 years, The Company only: 7 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Discount rate	2.80	1.50	2.80	1.50
Salary increase rate	3.50	6.50	3.50	6.50

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2022 and 2021 are summarised below:

	(Unit: Thousand Baht)			
	As at 31 December 2022			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase	Decrease	Increase	Decrease
	1.0%	1.0%	1.0%	1.0%
Discount rate	(5,938)	6,611	(3,850)	4,281
Salary increase rate	7,293	(6,655)	4,659	(4,260)

	(Unit: Thousand Baht)			
	As at 31 December 2021			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase	Decrease	Increase	Decrease
	1.0%	1.0%	1.0%	1.0%
Discount rate	(9,353)	10,733	(5,159)	5,890
Salary increase rate	11,097	(9,975)	6,450	(5,744)

21. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its profit for the year after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution. During the year 2022, the Company did not set any statutory reserve (2021: Baht 52 million) since the statutory reserve has fully been set aside.

According to Section 1202 of the Thai Civil and Commercial Code, the subsidiaries (incorporated under Thai Laws) are required to set aside a statutory reserve equal to at least 5% of its profit each time the company pays out a dividend, until such reserve reaches 10% of its registered share capital. The statutory reserve can neither be offset against deficit nor used for dividend payment. During 2022, the subsidiaries set the statutory reserve amounting to Baht 151 million (2021: nil).

22. Corporate social responsibility (CSR) reserve

The Company has earmarked 0.5% of its profit for the year as a reserve towards CSR activities. The Company expects to earmark amounts based on the same percentage of profit annually on a cumulative basis, but subject to a minimum of Baht 1.75 million and a maximum of Baht 25.00 million per year. The reserve was approved by a meeting of the Board of Directors of the Company on 14 August 2008.

During the year 2022, the Company set aside Baht 24.25 million (2021: Baht 22.37 million) to a reserve for CSR activities and reversed Baht 3.35 million (2021: Baht 3.88 million) from the reserve when the Company made related payments against the reserve.

23. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Interest expense on borrowings	375,919	362,019	-	131,613
Interest expense on lease liabilities	1,121	1,303	985	1,115
Interest expense (income) from derivatives designated as hedging instruments in cash flow hedge	(18,484)	23,313	-	223
Others finance cost	33,793	28,592	744	3,460
Total	<u>392,349</u>	<u>415,227</u>	<u>1,729</u>	<u>136,411</u>

24. Expenses by nature

Significant expenses by nature are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Salary, wages and other benefits of employees and crews	1,727,766	1,697,202	294,473	370,610
Rental expenses from operating lease agreements	201	325	-	-

25. Income tax

Income tax expense for 2022 of the Company was calculated at the rate of 20% on net profit and added back certain expenses that are disallowable for tax computation purposes.

No corporate income tax was payable for 2021, since the Company had tax losses.

Local subsidiaries

- a) In accordance with the Director - General's Notification on Income Tax No. 72 dated 20 March 1998, the local subsidiaries are exempted from the payment of income tax on their marine transportation income. In addition, the subsidiaries are exempted from the payment of income tax on their marine transportation business under the provisions of the Investment Promotion Act B.E. 2520.
- b) Corporate income tax for the year ended 31 December 2022 has been calculated at a rate of 20% (2021: 20%) on net profit, after adding back certain provisions and expenses which are disallowed for tax computation purposes.

Overseas subsidiaries and associate

Corporate income tax of the overseas subsidiaries and associate has been calculated by applying the applicable statutory rates of the relevant countries.

As at 31 December 2022, the Group has deductible temporary differences, mainly arising from exchange difference occurring while translating financial statements in functional currency into presentation currency and unused tax losses totaling Baht 4,385.66 million (2021: Baht 4,636.03 million) (The Company only: Baht 1,769.07 million (2021: Baht 2,005.99 million)). However, the Group did not recognise deferred tax assets because the Group has been granted certain promotional privileges under the Director-General's notification and the provisions of the Investment Promotion Act for their marine transportation business. Hence, the Group believes that the deferred tax assets will not be utilised in the future.

Details of expiry date of unused tax losses are summarised as below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
31 December 2022	118	534	-	-
31 December 2023	392,997	393,216	-	-
31 December 2024	550,701	550,884	-	-
31 December 2025	820,031	1,852,213	-	1,028,619
31 December 2026	412,665	412,809	-	-
31 December 2027	515,092	-	172,758	-
	<u>2,691,604</u>	<u>3,209,656</u>	<u>172,758</u>	<u>1,028,619</u>

As at 31 December 2022, Precious Shipping (Singapore) Pte. Limited (“PSSP”), an overseas subsidiary, has unused tax losses totaling Baht 12.32 million (2021: Baht 14.34 million). The Inland Revenue Authority of Singapore (IRAS) rules stipulate that unused tax losses have no expiry date.

As at 31 December 2022, the Group has a temporary difference arising from an investment in associate held by a subsidiary under which a deferred tax liability has been recognised in the aggregate amount of Baht 1.53 million (2021: Baht 3.47 million).

26. Promotional privileges

The Company has been granted promotional privileges under the Investment Promotion Act, as approved by the Board of Investment under BOI certificate No. 1405/2550 dated 23 March 2007. Subject to certain imposed conditions, the significant privileges are the rights to employ skilled foreigners to work within the scope of duties approved by the Board of Investment and for the period for which they are permitted to stay in Thailand, permission to own land in an amount considered appropriate by the Board of Investment, and permission to transfer funds in or out of Thailand in foreign currencies.

Under the provisions of the Investment Promotion Act B.E. 2520, the local subsidiaries were granted certain promotional privileges for their marine transportation business. The promotional privileges include, among other things, exemption from the payment of income tax for a period of 8 years commencing as from the date of first earning operating income on the condition that the vessels owned by the subsidiaries are registered in Thailand. During the year ended 31 December 2022, the subsidiaries have 7 vessels (2021: 8 vessels) under investment promotion operations.

Revenues and expenses for 2022 and 2021 classified between promoted and non-promoted operations can be summarised below.

(Unit: Thousand Baht)

	Non-promoted operations									
	Operations exempted from corporate income tax in accordance with the Director-General's Notification on Income Tax No. 72									
	Promoted operations		Director-General's Notification on Income Tax No. 72		Other non-promoted operations		Eliminations		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenues	1,418,899	1,659,999	3,790,113	3,125,035	7,810,365	5,689,933	(3,843,604)	(1,637,874)	9,175,773	8,837,093
Costs and expenses	(513,200)	(649,503)	(1,664,969)	(1,384,962)	(2,387,438)	(2,538,826)	240,623	211,130	(4,324,984)	(4,362,161)

27. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to the equity holder of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

28. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Group's operations involve the business of owning and internationally operating Handysize, Supramax and Ultramax dry bulk vessels on a tramp shipping basis (i.e. without any set routes). This is the main industry segment that the Company operates in and almost all revenues are derived from it. As such, no segmental bifurcation is applicable since the operations are almost entirely limited to this one main segment.

The business activity in the segment, i.e. the chartering of the vessels, is undertaken in two ways, viz., Time charter and Voyage charter. Under Time charter, the charterer (customer) pays charter hire (at an agreed daily rate, almost always in US Dollars) to operate the vessel for an agreed time period. In this case, the charterer bears all voyage expenses including port disbursements and costs of bunker fuel. Under Voyage charter, the charterer pays freight on a per ton basis (almost always in US Dollars) to transport a particular cargo between two or more designated ports. In this case, the Group bears all the voyage expenses. The voyage expenses are presented in the financial statements as voyage disbursements and bunker consumption. Under Time charter, the vessel routes are determined or controlled exclusively by the charterers and under Voyage charters, the route varies from time to time for each voyage, which is determined by a number of factors which are totally beyond the Groups' control. As such, reporting by geographical segments would not be practical or meaningful, and could in fact be misleading.

In view of the above, segment information is limited to the bifurcation of the total vessel operating income (and voyage expenses in respect of Voyage charter) derived from Time charter and Voyage charter presented as “Time charter income” and “Voyage charter income” respectively.

The following table presents net vessel operating income from Time charter and Voyage charter of the Group for the years ended 31 December 2022 and 2021.

(Unit: Thousand Baht)

Consolidated financial statements										
	Time charter		Voyage charter		Total		Elimination		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Time charter income	8,992,496	7,722,877	-	-	8,992,496	7,722,877	-	-	8,992,496	7,722,877
Voyage charter income	-	-	200,625	944,813	200,625	944,813	(68,328)	(55,937)	132,297	888,876
Total vessel operating income	8,992,496	7,722,877	200,625	944,813	9,193,121	8,667,690	(68,328)	(55,937)	9,124,793	8,611,753
Voyage disbursements	-	-	(107,267)	(166,626)	(107,267)	(166,626)	68,328	55,937	(38,939)	(110,689)
Bunker consumption	-	-	(48,438)	(200,298)	(48,438)	(200,298)	-	-	(48,438)	(200,298)
Total voyage expenses	-	-	(155,705)	(366,924)	(155,705)	(366,924)	68,328	55,937	(87,377)	(310,987)
Net vessel operating income/time charter equivalent income	8,992,496	7,722,877	44,920	577,889	9,037,416	8,300,766	-	-	9,037,416	8,300,766

For 2022, the Group has revenues from 2 major customers (2021: 2 customers) in the aggregate amount of Baht 2,032.81 million (2021: Baht 1,605.38 million).

29. Provident Fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group contributed to the fund monthly at the rate of 5% of basic salary. For employees, the maximum allowable contribution has been increased from 5% to 15% of basic salary. The fund, which is managed by Kasikornbank Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2022 amounting to approximately Baht 5.58 million (2021: Baht 5.33 million) were recognised as expenses. (The Company only: Baht 2.50 million, 2021: Baht 2.35 million).

30. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Interim dividends for 2021	The Company's Board of Directors meeting on 16 August 2021	779.57	0.50
Interim dividends for 2021	The Company's Board of Directors meeting on 15 November 2021	779.54	0.50
Total for 2021		<u>1,559.11</u>	<u>1.00</u>
Interim dividends for 2021	The Company's Board of Directors meeting on 14 February 2022	779.56	0.50
Final dividends for 2021	The Annual General Meeting of Shareholders for 2022 on 4 April 2022	389.79	0.25
Interim dividends for 2022	The Company's Board of Directors meeting on 11 May 2022	779.60	0.50
Interim dividends for 2022	The Company's Board of Directors meeting on 15 August 2022	779.55	0.50
Interim dividends for 2022	The Company's Board of Directors meeting on 11 November 2022	779.04	0.50
Total for 2022		<u>3,507.54</u>	<u>2.25</u>

31. Contingent liabilities

On 5 August 2021, Precious Visions Pte. Ltd.(the "Subsidiary") which is a subsidiary of the Company and the owner of M.V. Chayanee Naree (the "Vessel"), signed a voyage charter contract to load 46,000 metric tons (MTS) of bulk sugar from Santos, Brazil for discharge in Lagos, Nigeria.

On 18 September 2021, drugs were found inside one of the cargo holds of the Vessel. The Brazilian authorities conducted a thorough investigation, after which they were satisfied that none of our crew members were involved in or assisted in the smuggling of drugs.

On 19 September 2021, the Brazilian authorities permitted the Vessel to sail out from Brazil without pressing any charges on any crew members and/or the Subsidiary.

On 9 October 2021, the Vessel arrived and berthed at Lagos in Nigeria. The Nigerian authorities conducted an extensive search of the Vessel, however, no suspicious objects were uncovered.

On 13 October 2021, while cargo discharge was on-going, drugs were uncovered in a hold of the Vessel.

On 29 October 2021, the National Drug Law Enforcement Agency (NDLEA) of Nigeria obtained an ex-parte order from Lagos high court to remand the Vessel and crew for 14 days. On the same day, the Subsidiary received a claim of approximately USD 3.9 million from the cargo receivers.

On 8 December 2021, NDLEA filed a charge in the Federal High Court of Nigeria against the Vessel and 3 crew members (and 9 unrelated persons who are not working for the Company) for alleged unlawful transport of drugs.

On 4 January 2022, the insurers of the Subsidiary issued two Letters of Undertaking (“LOUs”) to NDLEA as security for the release of the Vessel and the 19 crew members that have not been charged.

On 13 January 2022, the Federal High Court of Nigeria ordered the release of the Vessel and the 19 crew members on board the Vessel.

On 19 January 2022, the Subsidiary entered into an Escrow Account Agreement with NDLEA as a security for NDLEA’s granting an administrative bail to the three crew members to move from an NDLEA detention facility to a hotel.

On 24 January 2022, NDLEA filed an amended Charge to include another 7 crew members of the Vessel, making a total of 10 crew members who are being charged, and are required to remain in Nigeria until legal proceedings are completed.

On 28 January 2022, the Subsidiary signed a bond/undertaking as one of the conditions for NDLEA’s issuing a Release Letter for the Vessel.

On 31 January 2022, NDLEA issued a Release Letter for the Vessel and the crew members who have not been charged.

On 8 February 2022, the Subsidiary remitted USD 700,000 to the escrow account towards administrative bail for the additional 7 crew members that were charged.

On 24 February 2022, the Federal High Court of Nigeria reiterated its order to immediately release the Vessel.

On 17 May 2022, the Vessel sailed out of Lagos port in Nigeria. However, the 10 crew members, who have been charged, are required to remain in Nigeria until legal proceedings are completed.

During the second quarter of 2022, the Subsidiary received a letter of acceptance for insurance proceeds in relation to Chayanee Naree’s detention claim and received payment in the amount of USD 1.42 million. Of this, USD 0.84 million pertained to operating costs, USD 0.44 million to bunker expenses, and USD 0.14 million to port charges and other miscellaneous expenses.

Based on the opinion of the Group's legal counsel and its legal counsel, the Company's management believes that it is premature at this stage to reliably estimate the amount of liability (if any) and therefore, no provisions have been made in respect of this case.

32. Fair value hierarchy

As at 31 December 2022 and 2021, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Derivatives				
Interest rate swaps contracts - Loans	-	274,862	-	274,862
Financial assets measured at fair value through other comprehensive income				
Investment in equity instruments of non-listed company	-	-	18,100	18,100

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Derivatives				
Interest rate swaps contracts - Loans	-	8,452	-	8,452
Financial assets measured at fair value through other comprehensive income				
Investment in equity instruments of non-listed company	-	-	14,705	14,705
Liabilities measured at fair value				
Derivatives				
Interest rate swaps contracts - Loans	-	13,089	-	13,089
Cross currency swaps contracts - Loans	-	2,144	-	2,144

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 December 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at fair value through other comprehensive income				
Investment in equity instrument of non-listed company	-	-	18,100	18,100

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 December 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at fair value through other comprehensive income				
Investment in equity instrument of non-listed company	-	-	14,705	14,705

During 2022, there were no change in the methods and assumptions used by the Group in estimating the fair value of financial instruments and no transfers within the fair value hierarchy.

33. Financial instruments

33.1 Derivatives and hedge accounting

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Derivative assets				
Derivative assets designated as hedging instruments				
Interest rate swaps contracts - Loans	274,862	8,452	-	-
Total derivative assets	274,862	8,452	-	-
Derivative liabilities				
Derivative liabilities designated as hedging instruments				
Interest rate swaps contracts - Loans	-	13,089	-	-
Cross currency swaps contracts - Loans	-	2,144	-	-
Total derivative liabilities	-	15,233	-	-

Derivatives designated as hedging instruments

Cash flow hedges

Foreign currency risk and Interest rate risk

The Group uses hedging instruments to hedge cash flows as follows:

- Cross currency swaps as hedging instruments to hedge cash flows on loans not denominated in the functional currency. These are defined as a combined hedge of currency risk.
- Interest rate swaps as hedging instruments to hedge cash flows on variable rate loans in foreign currencies. The Group receives a variable rate LIBOR of interest and pays interest at a fixed-rate. These are defined as a hedge of interest rate risk.

There is an economic relationship between the hedged items and the hedging instruments as the terms of cross currency swaps contracts, and interest rate swaps contracts. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

The Group held the following derivatives as hedging instruments as at 31 December 2022 and 2021:

	Maturity							
	Less than 1 year		1 to 5 years		Over 5 years		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Cross currency swaps								
Notional amount								
(Unit: Thousand Baht)	-	93,897	-	-	-	-	-	93,897
Average exchange rate								
(Baht : US dollar)	-	32.34, 33.15	-	-	-	-	-	32.34, 33.15
Interest rate swaps								
Notional amount								
(Unit: Thousand USD)	16,424	19,535	65,639	73,869	14,467	22,661	96,530	116,065
Average fixed rate (%)	3.70 - 4.75	3.70 - 4.95	3.70 - 4.75	3.70 - 4.95	4.59 - 4.75	4.59 - 4.75	3.70 - 4.75	3.70 - 4.95

The impact of hedged items on the consolidated statement of financial position as at 31 December 2022 and 2021 is as follows:

	(Unit: Thousand Baht)					
	Change in fair value used for measuring ineffectiveness		Cash flow hedge reserve			Cost of hedging reserve
	2022	2021	Continuing hedges	Discontinued hedges	2021	
Loans - Interest rate swaps contracts	279,499	9,577	285,692	(2,694)	1,928	-
Loans - Cross currency swaps contracts	2,144	(21,269)	-	(22,532)	(693)	357
						1,168

The impact of the hedging instruments on the consolidated statement of financial position as at 31 December 2022 and 2021 and the effect of the cash flow hedge in the consolidated statements of comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

	As at 31 December 2022										Amount of cash flow hedge reserve reclassified to income statement	Finance cost
	Effectiveness					Cost of hedging recognised in equity						
	Notional amounts	Carrying amount	Line item in the statements of financial position	Changes in fair value used for measuring ineffectiveness	Effectiveness recognised in other comprehensive income	Ineffectiveness recognised in income statement	Line item in income statement	Cost of hedging recognised in equity	Amount of cash flow hedge reserve reclassified to income statement	Line item in income statement		
Interest rate swaps - hedge the risk arising from loans	USD 113,639 thousand	3,336,298	Non-current derivative assets	279,499	285,692	-	-	-	(8,658)	-	-	
Cross currency swaps - hedge the risk arising from loans	-	-	-	2,144	(693)	1,970	Gains on ineffective portion of cash flow hedge on fair value adjustment of hedging instruments	357	-	-	-	
Total				281,643	284,999	1,970		357	(8,658)			

(Unit: Thousand Baht)

As at 31 December 2021

	Notional amounts	Carrying amount	Line item in the statements of financial position	Changes in fair value used for measuring ineffectiveness	Effectiveness recognised in other comprehensive income	Ineffectiveness recognised in income statement	Line item in income statement	Cost of hedging recognised in equity	Amount of cash flow hedge reserve reclassified to income statement	Line item in income statement
Interest rate swaps - hedge the risk arising from loans	USD 38,350 thousand	1,235,899	Non-current derivative assets	8,175	8,175	-	-	-	2,290	Finance cost
Cross currency swaps - hedge the risk arising from loans	1,502,348	93,413	Current derivative liabilities	(21,269)	(22,532)	1,263	Gains on ineffective portion of cash flow hedge on fair value adjustment of hedging instruments	1,168	20,458	Exchange losses
Interest rate swaps - hedge the risk arising from loans	USD 64,818 thousand	209,634	Current derivative liabilities	6,883	-	6,883	Gains on ineffective portion of cash flow hedge on fair value adjustment of hedging instruments	-	2,337	Finance cost
Interest rate swaps - hedge the risk arising from loans	USD 75,489 thousand	2,433,336	Non-current derivative liabilities	(10,868)	(10,868)	-	-	-	164	Finance cost
Total				<u>(17,079)</u>	<u>(25,225)</u>	<u>8,146</u>		<u>1,168</u>	<u>25,249</u>	

Impacts of interest rate benchmark reform

The Group has exposure in relation to the replacement or reform of the benchmark InterBank Offered Rates (“IBORs”) of its financial instruments since there is uncertainty over the timing and the methods of transition in some jurisdictions in which the Group operates. The Group anticipates that IBOR reform will impact its risk management and hedge accounting. The Group applies temporary exceptions which enable entities to continue applying hedge accounting during the period of uncertainty. Specifically, the temporary exceptions state that for the purpose of determining whether a forecast transaction is highly probable for cash flow hedging purposes, it is assumed that the benchmark interest rate on which the hedged cash flows are based is unchanged as a result of IBOR reform.

The risk management committee monitors and manages the Group’s transition to alternative benchmark rates. The committee evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties.

As at 31 December 2022, the Group has interest rate swaps with nominal amounts of USD 113.84 million that are designated as hedging instruments to hedge cash flows on loans that carry interest at floating rates based on USD LIBOR and mature within 2029.

33.2 Financial risk management

The Group’s financial instruments principally comprise cash and cash equivalents, trade receivables, investments, long-term loans to subsidiary, trade and other payables, lease liabilities and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to deposits with banks and financial institutions, trade receivables, loans to and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables

The Group is exposed to credit risk primarily with respect to trade receivables. The Group manages the risk by adopting a credit policy whereby they evaluate the creditworthiness of charterers and other parties and restricts dealings to financially sound parties, and strictly attend to the preparation and completeness of documentation and therefore do not expect to incur material financial losses. In addition, the Group does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the statement of financial position.

Financial instruments and cash deposits

The credit risk on cash deposits and derivatives of the Group is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, long-term loans to subsidiary, lease liabilities and long-term loans. The management mitigates part of its interest rate risk by using interest rate swaps contract and cross currency swaps contract as hedging instruments to hedge cash flows on variable rate loans, as described in Note 33.1 to the financial statements. The interest rate risk is expected to be minimal.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Thousand Baht)

Consolidated financial statements

As at 31 December 2022

	Fixed interest rate			Floating		Total	Interest rate (% p.a.)		
	Within	1 - 5	Over	interest	Non-interest		Fixed	Floating	
	1 year	years	5 years	rate	bearing			USD	USD
Financial assets									
Cash and cash equivalents	408,453	-	-	488,353	158,861	1,055,667	0.20 - 0.74	0.04 - 2.75	0.15 - 0.40
Total	408,453	-	-	488,353	158,861	1,055,667			
Financial liabilities									
Lease liabilities	5,705	9,065	-	-	-	14,770	5.28 - 5.53	-	-
Long-term loans	552,746	2,234,658	605,129	3,316,540	-	6,709,073	3.70 - 4.75	5.92 - 8.34	-
Total	558,451	2,243,723	605,129	3,316,540	-	6,723,843			

(Unit: Thousand Baht)

Consolidated financial statements

As at 31 December 2021

	Fixed interest rate			Floating		Total	Interest rate (% p.a.)		
	Within	1 - 5	Over	interest	Non-interest		Fixed	Floating	
	1 year	years	5 years	rate	bearing			USD	USD
Financial assets									
Cash and cash equivalents	737,725	-	-	1,315,705	414,779	2,468,209	0.20 - 0.30	0.01 - 0.05	0.05 - 0.13
Total	737,725	-	-	1,315,705	414,779	2,468,209			
Financial liabilities									
Lease liabilities	5,419	12,915	1,462	-	-	19,796	5.28 - 5.53	-	-
Long-term loans	635,304	2,425,796	1,032,372	4,124,390	-	8,217,862	3.70 - 4.95	2.33 - 3.81	4.65
Total	640,723	2,438,711	1,033,834	4,124,390	-	8,237,658			

(Unit: Thousand Baht)

Separate financial statements

As at 31 December 2022

	Fixed interest rate			Floating		Total	Interest rate (% p.a.)		
	Within	1 - 5	Over	interest	Non-interest		Fixed	Floating	
	1 year	years	5 years	rate	bearing			USD	USD
Financial assets									
Cash and cash equivalents	174,730	-	-	141,023	723	316,476	0.20	0.04 - 0.05	0.15 - 0.40
Long-term loan to subsidiary	5,401	293,022	492,181	-	-	790,604	5.00	-	-
Total	180,131	293,022	492,181	141,023	723	1,107,080			
Financial liabilities									
Lease liabilities	4,459	8,754	-	-	-	13,213	5.28 - 5.53	-	-
Total	4,459	8,754	-	-	-	13,213			

(Unit: Thousand Baht)

Separate financial statements									
As at 31 December 2021									
	Fixed interest rate			Floating		Total	Interest rate (% p.a.)		
	Within 1 year	1 - 5 years	Over 5 years	interest rate	Non-interest bearing		Fixed USD	Floating USD Baht	
Financial assets									
Cash and cash equivalents	334,199	-	-	202,815	933	537,947	0.20	0.04 - 0.05	0.05 - 0.13
Long-term loan to subsidiary	86,327	1,799,553	685,372	-	-	2,571,252	5.00	-	-
Total	420,526	1,799,553	685,372	202,815	933	3,109,199			
Financial liabilities									
Lease liabilities	4,207	11,400	1,463	-	-	17,070	5.28 - 5.53	-	-
Total	4,207	11,400	1,463	-	-	17,070			

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's income statement to a reasonably possible change in interest rates on that portion of the floating rate long-term loans from affected and equity changes as a result of an increase or decrease in the fair value of the cash flow hedges of interest rate swaps contracts as at 31 December 2022 and 2021.

	Increase/ decrease (%)	2022		2021	
		Effect on income statement (Thousand Baht)	Effect on equity (Thousand Baht)	Effect on income statement (Thousand Baht)	Effect on equity (Thousand Baht)
US Dollars borrowing	+1	(34,965)	83,235	(49,790)	123,100
	-1	34,965	(83,235)	49,790	(123,100)

The above analysis has been prepared assuming that the amounts of the floating rate long-term loans from and all other variables remain constant over one year. Moreover, the floating legs of these long-term loans are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest receivable/payable for the full 12-month period of the sensitivity calculation. This information is not a forecast or prediction of future market conditions and should be used with care.

Foreign currency risk

Almost all revenues and expenditures of the Group is denominated in US Dollars, which provide a natural hedge against the currency risk associated with transactions in US Dollars. Consequently, the Group is exposed to a currency risk in respect of financial instruments denominated in other currencies. However, the Group's management has decided to maintain an open position with regard to this exposure but endeavors to limit this exposure to the minimum possible amounts by not holding significant amounts of financial instruments denominated in other currencies or use derivative instruments, as and when it considers appropriate, to manage such risks.

The Group's exposure to the foreign currency risk relates primarily to long-term loans. When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of the derivative to match the terms of the hedged exposure. The Group does not use foreign currency forward contracts or purchased currency options for trading purposes.

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Group's income statement and equity to a reasonably possible change in Thai Baht exchange rates, with all other variables held constant. The impact on the Group's income statement and equity is due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives as at 31 December 2022 and 2021. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	Increase/ decrease (%)	2022		2021	
		Effect on income statement (Thousand Baht)	Effect on equity (Thousand Baht)	Effect on income statement (Thousand Baht)	Effect on equity (Thousand Baht)
Thai Baht	+1	-	-	-	(84)
	- 1	-	-	-	12

This information is not a forecast or prediction of future market conditions and should be used with care.

The Group has the following significant financial liabilities denominated in foreign currencies (currencies other than US Dollars which is the Group's functional currency).

Foreign currency	Consolidated financial statements			
	Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2022	2021	2022	2021
	(Million)	(Million)	(USD per 1 foreign currency unit)	
Baht loan	-	93.90	-	0.0298

As at 31 December 2021, the Group had the Foreign currency swaps contracts outstanding are summarised below. (2022: Nil).

As at 31 December 2021			
Bought amount	Sold amount	Contractual exchange rate	Contractual maturity date
(USD per 1 foreign currency unit)			
<u>Subsidiaries</u>			
Baht 93.90 million	USD 2.87 million	0.0302, 0.0309	Quarterly corresponding to the loan repayment schedule upto September 2022

Liquidity risk

The Group manages liquidity risk by spreading out debt maturities, raising debt that is both amortising and non-amortising, maintaining sufficient cash reserves, tightly controlling operating costs, ensuring adequate insurance cover, limiting single counterparty exposure to not more than 25% of revenues and limiting exposure to the short-term market through fixing ships on long term charters. Approximately 24% of the Group's debts will maturity less than one year as of 31 December 2022 (2021: 21%) based on the carrying value of borrowings reflected in the financial statements. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2022 and 2021 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2022			
	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives				
Trade and other payables	229,486	-	-	229,486
Lease liabilities	6,201	10,307	-	16,508
Long-term loans	1,799,029	5,330,227	945,544	8,074,800
Total non-derivatives	2,034,716	5,340,534	945,544	8,320,794
Derivatives				
Derivative assets	-	90,373	184,489	274,862
Total derivatives	-	90,373	184,489	274,862

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2021			
	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives				
Trade and other payables	105,315	-	-	105,315
Lease liabilities	6,040	14,748	1,756	22,544
Long-term loans	1,697,934	5,823,709	1,741,660	9,263,303
Total non-derivatives	1,809,289	5,838,457	1,743,416	9,391,162
Derivatives				
Derivative assets	-	8,452	-	8,452
Derivative liabilities	3,996	-	11,237	15,233
Total derivatives	3,996	8,452	11,237	23,685

(Unit: Thousand Baht)

	Separate financial statements				
	As at 31 December 2022				
	On demand	Less than 1 year	1 to 5 Years	Over 5 years	Total
Non-derivatives					
Trade and other payables	-	724	-	-	724
Lease liabilities	-	4,904	9,983	-	14,887
Advances received from related parties	1,938,799	-	-	-	1,938,799
Total non-derivatives	1,938,799	5,628	9,983	-	1,954,410

(Unit: Thousand Baht)

	Separate financial statements				
	As at 31 December 2021				
	On demand	Less than 1 year	1 to 5 Years	Over 5 years	Total
Non-derivatives					
Trade and other payables	-	1,264	-	-	1,264
Lease liabilities	-	4,743	13,127	1,756	19,626
Advances received from related parties	2,537,688	-	-	-	2,537,688
Total non-derivatives	2,537,688	6,007	13,127	1,756	2,558,578

33.3 Fair values of financial instruments

Since the majority of the Group's financial assets and liabilities are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

33.4 Reconciliation of recurring fair value measurements of assets categorised within Level 3 of the fair value hierarchy

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Investment in equity instrument of non-listed company	
Balance as of 1 January 2021	16,295
Net loss recognised into other comprehensive income	(3,425)
Translation adjustment	1,835
Balance as of 31 December 2021	14,705
Net gain recognised into other comprehensive income	2,892
Translation adjustment	503
Balance as of 31 December 2022	18,100

34. Capital management

The primary objective of the Group's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern and it meets financial covenants attached to the loan agreements. The Group has complied with these covenants throughout the reporting periods.

The Group manages its capital position with reference to its debt-to-equity ratio also to comply with a condition in the long-term loan agreements, which require the Group to maintain a consolidated debt-to-equity ratio of not more than 2:1.

As at 31 December 2022, the Group's debt-to-equity ratio was 0.48:1 (2021: 0.64:1) and the Company's was 0.23:1 (2021: 0.29:1) which is calculated from USD functional currency financial statements.

35. Functional currency financial statements

The USD functional currency statements of financial position as at 31 December 2022 and 2021 and income statements for the years ended 31 December 2022 and 2021 are as follows.

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2022

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2022	2021	2022	2021
Assets				
Current assets				
Cash and cash equivalents	30,544	73,854	9,156	16,096
Trade and other receivables	8,076	5,246	83,907	61,690
Bunker oil	1,210	646	-	-
Other current assets				
Advances to vessel masters	1,071	899	-	-
Claim recoverables	370	243	-	-
Lube oil stock on board	2,634	2,285	-	-
Others	1,157	894	339	503
Total other current assets	5,232	4,321	339	503
Total current assets	45,062	84,067	93,402	78,289
Non-current assets				
Restricted bank deposits	2,904	3,591	-	-
Long-term loans to a subsidiary	-	-	22,874	76,938
Derivative assets	7,953	253	-	-
Investments in subsidiaries	-	-	246,875	233,720
Investment in associate held by a subsidiary	2,333	2,730	-	-
Investment in equity instrument of non-listed company	524	440	524	440
Property, plant and equipment	637,923	606,973	299	243
Right-of-use assets	452	628	404	541
Intangible assets	162	191	153	182
Other non-current assets				
Claim recoverables - maritime claims	2,048	829	-	-
Deferred contract costs	3,737	4,290	-	-
Others	93	95	69	71
Total other non-current assets	5,878	5,214	69	71
Total non-current assets	658,129	620,020	271,198	312,135
Total assets	703,191	704,087	364,600	390,424

Precious Shipping Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2022

(Unit: Thousand USD)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2022	2021	2022	2021
Liabilities and shareholders' equity				
Current liabilities				
Trade and other payables				
Trade and other payables	6,640	3,151	21	38
Advances received from related parties	-	-	56,096	75,934
Accrued crew accounts	2,922	2,657	-	-
Accrued expenses	2,361	1,861	42	26
Current portion of accrued employee benefits	4,985	2,933	3,540	2,056
Total trade and other payables	16,908	10,602	59,699	78,054
Advances received from charterers	1,583	2,601	-	-
Current portion of long-term loans	33,614	42,148	-	-
Current portion of lease liabilities	165	162	129	126
Derivative liabilities	-	119	-	-
Income tax payable	51	1	-	-
Other current liabilities	1,711	1,716	1,515	1,508
Total current liabilities	54,032	57,349	61,343	79,688
Non-current liabilities				
Accrued employee benefits - net of current portion	6,662	5,865	4,600	4,112
Long-term loans - net of current portion	160,501	203,749	-	-
Lease liabilities - net of current portion	262	430	253	385
Derivative liabilities	-	336	-	-
Deferred tax liabilities	44	104	-	-
Provision for maritime claims	1,604	1,174	-	-
Provision for long-term employee benefits	3,765	5,245	2,818	3,874
Total non-current liabilities	172,838	216,903	7,671	8,371
Total liabilities	226,870	274,252	69,014	88,059
Shareholders' equity				
Share capital				
Registered share capital	51,055	51,055	51,055	51,055
Issued and paid-up share capital	51,055	51,055	51,055	51,055
Paid-in capital				
Premium on ordinary shares	63,290	63,290	63,290	63,290
Premium on treasury stock	4,819	4,819	4,819	4,819
Retained earnings				
Appropriated				
Statutory reserve - the Company	4,372	4,372	4,372	4,372
- subsidiaries	15,955	11,741	-	-
Corporate social responsibility reserve	1,698	1,110	1,698	1,110
Unappropriated	329,762	296,004	170,396	177,847
Other components of shareholders' equity	5,369	(2,557)	(44)	(128)
Equity attributable to owners of the Company	476,320	429,834	295,586	302,365
Non-controlling interests of the subsidiaries	1	1	-	-
Total shareholders' equity	476,321	429,835	295,586	302,365
Total liabilities and shareholders' equity	703,191	704,087	364,600	390,424

Precious Shipping Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2022

(Unit: Thousand USD, except basis earnings per share expressed in USD)

	Consolidated		Separate	
	financial statements		financial statements	
	2022	2021	2022	2021
Revenues				
Vessel operating income				
Time charter income	256,144	237,470	-	-
Voyage charter income	3,704	28,136	-	-
Total vessel operating income	259,848	265,606	-	-
Service income	112	113	3,109	2,832
Interest income	408	57	12,441	5,651
Dividend income	-	16	87,676	37,696
Exchange gains	-	6,233	75	5,955
Gain on ineffective portion of cash flow hedge on fair value adjustment of hedging instruments	-	33	-	-
Other income	82	36	10	23
Total revenues	260,450	272,094	103,311	52,157
Expenses				
Vessel operating costs				
Vessel running expenses	56,211	55,169	-	-
Voyage disbursements	1,087	3,510	-	-
Bunker consumption	1,350	6,383	-	-
Total vessel operating costs	58,648	65,062	-	-
Depreciation	37,571	37,792	227	255
Cost of services	160	167	-	-
Administrative expenses	10,540	12,615	5,593	7,214
Management remuneration including perquisites	4,158	5,344	4,058	5,185
Reversal expected credit losses	(11)	(279)	(263)	-
Exchange losses	1	-	-	-
Loss on derivatives	40	2,094	-	378
Total expenses	111,107	122,795	9,615	13,032
Operating profit	149,343	149,299	93,696	39,125
Share of profit from investment in associate held by a subsidiary	813	703	-	-
Finance cost	(11,116)	(12,997)	(49)	(4,346)
Profit before income tax expenses	139,040	137,005	93,647	34,779
Income tax expenses	(427)	(50)	-	-
Profit for the year	138,613	136,955	93,647	34,779
Profit attributable to:				
Equity holders of the Company	138,613	136,955	93,647	34,779
Non-controlling interests of the subsidiaries	-	-	-	-
Profit for the year	138,613	136,955	93,647	34,779
Basic earnings per share				
Profit attributable to equity holders of the Company	0.0889	0.0878	0.0601	0.0223

36. Events after the reporting period

On 10 February 2023, the Company's Board of Directors' meeting passed the significant resolutions to propose to the Annual General Meeting of Shareholders for the year 2023 of the Company to adopt a resolution to pay a final dividend for the year 2022 of Baht 0.25 per share, or a total of Baht 389.82 million, to the shareholders in respect of the Company's retained earnings as of 31 December 2022. Such dividend will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

37. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 10 February 2023.



ENCLOSURE 1

INFORMATION OF RELEVANT PERSONS IN THE ORGANISATION





THE BOARD OF DIRECTORS



Mr. Chaipatr Srivisarvacha

- Chairman of the Board of Director
- Independent Director



Mr. Kamtorn Sila-On

- Chairman of Audit and Corporate Governance Committee
- Chairman of the Sustainability and Risk Management Committee
- Chairman of the Remuneration Committee
- Nomination Committee Member
- Independent Director



Ms. Pensri Suteerasarn

- Chairperson of the Nomination Committee
- Audit and Corporate Governance Committee Member
- Sustainability and Risk Management Committee Member
- Independent Director



Professor Dr. Pavida Pananond

- Audit and Corporate Governance Committee Member
- Remuneration Committee Member
- Sustainability and Risk Management Committee Member
- Nomination Committee Member
- Independent Director



Mr. Khalid Moinuddin Hashim

- Executive Director
- Managing Director
- Sustainability and Risk Management Committee Member
- Director



Mr. Kirit Shah

- Remuneration Committee Member
- Director



Mr. Gautam Khurana

- Executive Director
- Director



Mr. Khushroo Kali Wadia

- Director



Ms. Nishita Shah

- Director



Mr. Ishaan Shah

- Director



Ms. Sirasa Supawasin

- Director



BOARD OF DIRECTORS - PROFILE

MR. CHAIPATR SRIVISARVACHA

POSITION	Chairman of the Board of Directors / Independent Director
DATE OF APPOINTMENT ON THE BOARD	14 March 2011
AGE	63 years
EDUCATION	
• 1984	Illinois Benedictine College, MBA (Finance).
• 1981	Lehigh University, Bachelor of Science (Metallurgy).
TRAINING	
• 2017	Certificate, Advanced Audit Committee Program, Class 25/2017, Thai Institute of Directors Association (IOD), March 2017
• 2015	Certificate, Corporate Governance for Capital Market Intermediaries 3/2015, Thai Institute of Directors Association (IOD)
• 2015	Certificate, CMA-GMS 1, Capital Market Academy Executive Education 27 March - 12 April 2015, The Stock Exchange of Thailand
• 2012	Certificate, Capital Market Academy Leadership Program, The Stock Exchange of Thailand
• 2005	Certificate, Chairman 2000, Thai Institute of Directors Association (IOD).
• 2003	Diploma, Directors Certification Program (DCP), Thai Institute of Directors Association (IOD).
EXPERIENCE TO REVIEW CREDITIBILITY OF THE FINANCIAL STATEMENTS	
• 2003 - 2013	Independent Director and Audit Committee, The Brooker Group Public Co. Ltd.
• September 2018 - February 2019	Chairman, Audit Committee The Stock Exchange of Thailand
• 2013 - 2014	Member, Audit Committee The Stock Exchange of Thailand
• 2010 - November 2011	Independent Director and Chairman of the Audit Committee, Dhanarak Asset Development Company Limited.
• 2001 - 2007	Independent Director and Audit Committee, Thanachart Bank Public Company Limited.
OTHER EXPERIENCE	
• December 2021 - Present	Independent Director and Chairman of the Audit Committee, CMO Public Company Limited
• July 2020 - Present	Chairman of the Board of Directors, Precious Shipping Public Company Limited
• August 2019 - Present	Director, JKN Global Media Public Co., Ltd.
• May 2016 - March 2019	Director, TSFC Securities Public Company Limited.
• March 2016 - February 2021	Director, Lumpini Asset Management Company Limited.
• December 2015 - 7 August 2020	Chairman of the Board of Director, Thaifoods Group Public Company Limited.
• November 2011 - February 2021	Authorized Director, Innotech Asset Management Co., Ltd.
• May 2015 - August 2019	Governor, The Stock Exchange of Thailand.
• June 2012 - June 2013	Director, Thailand Futures Exchanges Public Company Limited.
• 2012 - 2014	Governor, The Stock Exchange of Thailand.
• 2013 - Present	Shareholder and Authorized Director, Ingenious Co. Ltd.
• March 2011 - July 2020	Independent Director and Chairman of Nomination Committee, Precious Shipping Public Company Limited.
• May 2009 - July 2019	Chief Executive Officer & Authorized Director, KT ZMICO Securities Company Limited.
• 22 May 2007 - 10 September 2020	Vice Chairman & Chief Executive Officer, Seamico Securities Public Company Limited
• Present	Vice Chairman & Secretary, The Srivisarvacha Foundation.
• Present	Director, Population and Community Development Association (PDA).
• 2004 - 2009	Director (Independent), G Steel Public Company Limited.
• 2003 - 2008	President of the Board, New International School of Thailand (Affiliated with United Nations).
• 1999 - Present	Shareholder and Authorized Director, CapMaxx Company Limited
• 1999 - 2003	Director (Independent), Pacific Assets Public Company Limited.
• 1999	Director and Executive Director, Krung Thai Bank Public Company Limited.
• 1995 - 1999	Director and Head of Thailand Investment Banking, Salomon Smith Barney.
• 1995 - 1999	Director, Phoenix Pulp & Paper Public Company Limited.
• 1991 - 1995	Director, Head of Thailand Investment Banking, Swiss Bank / SBC Warburg.
• 1988 - 1989	Manager, Investment Banking Department, Phatra Thanakit.
• 1985 - 1988	Business Development Officer, Industrial Finance Corporation of Thailand.
OCCUPATION	Company Director



DIRECTORSHIP AND POSITIONS HELD IN OTHER COMPANIES AND OTHER ORGANISATIONS

CONNECTED COMPANIES	Nil
NON-CONNECTED COMPANIES	<p>LISTED COMPANIES:</p> <ol style="list-style-type: none"> 1. Director, JKN Global Media Public Co., Ltd. 2. Director, TSFC Securities Public Company Limited. 3. Independent Director and Chairman of the Audit Committee, CMO Public Company Limited. <p>NON - LISTED COMPANIES:</p> <p>Nil</p>
OTHER RELATED COMPANIES (SUBSIDIARIES / ASSOCIATED COMPANIES)	Nil
OTHER ORGANISATIONS	<ol style="list-style-type: none"> 1. Vice Chairman & Secretary, The Srivisarvacha Foundation. 2. Director, Population & Community Development Association (PDA).

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2022:

Description	As of 1 Jan 2022	Acquisition in 2022	Disposal in 2022	Increase (Decrease) in 2022	As of 31 Dec 2022
By himself	-	-	-	-	-
By his spouse and minor children (if any)	-	-	-	-	-

No family relationship with any of the other Directors or any of the Management Team.

MR. KAMTORN SILA-ON

POSITION

Chairman of Audit & Corporate Governance Committee* / Chairman of Remuneration Committee / Chairman of Sustainability and Risk Management Committee / Nomination Committee Member / Independent Director

DATE OF APPOINTMENT ON THE BOARD

14 March 2011

AGE

52 years

EDUCATION

- 1995 - 1997 MIT Sloan School, Massachusetts, USA Master of Business Administration; Financial Engineering Track GPA: 4.6/5.0.
- 1988 - 1992 Imperial College of Science Technology and Medicine, London, England Master of Engineering; Chemical Engineering; Associate of the City and Guilds Institute Upper Second Class Honours.

TRAINING

- 2021 Completed Risk Management Program for Corporate Leaders (RCL) by Institute of Directors (IOD).
- 2017 Completed Leading in a Disruptive world (LDW) by Stanford University & Silicon Valley, California
- 2017 Completed Business Revolution and Innovation Network (BRAIN) training program by Federation of Thai Industries (FTI).
- 2016 Top Executive Program in Commerce and Trade (TEPCoT)
- 2012 Audit Committee Program (ACP) by Institute of Directors (IOD).
- 2011 Director Certification Program (DCP) by Institute of Directors (IOD).
- 2008 Completed Executive Development Program (EDP) by the Capital Markets Academy and Thai Listed Companies Association.

EXPERIENCE

- February 2021 - Present Independent Director, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee and Corporate Governance and Sustainable Development Committee, Inter Pharma Public Company Limited.
- February 2020 - Present Chairman of Sustainability and Risk Management Committee, Precious Shipping Public Company Limited.
- April 2017 - Present Chairman of Audit and Corporate Governance Committee, Precious Shipping Public Company Limited.
- January 2017 - Present President - Production and Finance, S&P Syndicate Public Company Limited.
- 2015 - Present Director, The Federation of Thai Industries
- July 2014 - 2016 Chief Supply Chain Officer, S&P Syndicate Public Company Limited.

- March 2011- Present Chairman of Remuneration Committee, Independent Director and Nomination Committee Member, Precious Shipping Public Company Limited.
- 2011- April 2017 Audit and Corporate Governance Committee Member, Precious Shipping Public Company Limited.
- 2011 - 2014 Deputy Managing Director, Head of Private Client Investment Management Group, Bualuang Securities Plc., Bangkok, Thailand.
- 2004 - 2011 Deputy Managing Director, Co-head of Investment Banking, Bualuang Securities Plc., Bangkok, Thailand.
- 1999 - 2004 Senior Vice President, Investment Banking Asset Plus Securities Plc., Bangkok, Thailand.
- 1997 - 1999 Associate, Global Investment Banking Chase Securities, Inc., New York, USA and Singapore.
- 1994 - 1995 Analyst, Investment Banking Dept. SCB Securities Co., Ltd., Bangkok, Thailand.
- 1992 - 1994 Manager, Money Market Dept. Tisco Plc., Bangkok, Thailand.

OCCUPATION

President - Production and Finance, S&P Syndicate Public Company Limited.

DIRECTORSHIP AND POSITIONS HELD IN OTHER COMPANIES AND OTHER ORGANISATIONS

CONNECTED COMPANIES	Nil
NON-CONNECTED COMPANIES	<p>LISTED COMPANIES:</p> <ol style="list-style-type: none"> 1. President - Production and Finance, S&P Syndicate Public Company Limited. 2. Independent Director, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee and Corporate Governance and Sustainable Development Committee, Inter Pharma Public Company Limited <p>NON - LISTED COMPANIES:</p> <ol style="list-style-type: none"> 1. Director, Chaophraya Express Boat Co., Ltd. 2. Director, The Federation of Thai Industries
OTHER RELATED COMPANIES (SUBSIDIARIES / ASSOCIATED COMPANIES)	Nil
OTHER ORGANISATIONS	Member of Academic Committee, Department of International Business, Logistics and Transport, Thammasat Business School, Thammasat University.

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2022:

Description	As of 1 Jan 2022	Acquisition in 2022	Disposal in 2022	Increase (Decrease) in 2022	As of 31 Dec 2022
By himself	-	-	-	-	-
By his spouse and minor children (if any)	-	-	-	-	-

* Note: Audit Committee Member who has adequate expertise and experience to review creditability of the financial statement. No family relationship with any of the other Directors or any of the Management Team.

MS. PENSRI SUTEERASARN

POSITION

Chairperson of Nomination Committee / Audit and Corporate Governance Committee Member* / Sustainability and Risk Management Committee Member / Independent Director

DATE OF APPOINTMENT ON THE BOARD

8 July 2020

AGE

54 years

EDUCATION

BA (Cost Accounting), Chulalongkorn University
MBA, California State University, Hayward, USA

TRAINING

- 2019 Leadership through Performance, INSEAD Future Leader Summit, Singapore
- 2018 Leading Disruptive Innovation with Design Thinking, Stanford Center for Professional Development, USA
- 2017 People, Culture, and Performance: Strategies from Silicon Valley, Stanford University, USA
- 2017 GNH and Business Journey in Bhutan, GNH Center Bhutan
- 2015 Proteus: Creative Encounters to Inspire Leaders, London Business School, UK
- 2011 Breakthrough Program for Senior Executives, IMD, Switzerland
- 2010 Successful Formulation and Execution Strategy (SFE), Thai Institute of Directors (IOD)
- 2007 Director Certificate Program (DCP), Thai Institute of Directors (IOD)

EXPERIENCE

- 4 April 2022 - Present Audit and Corporate Governance Committee Member and Sustainability and Risk Management Committee Member, Precious Shipping Public Company Limited

- 17 February 2022 - Present Board of Directors, Thailand Development Research Institute (TDRI)
- 1 February 2022 - Present Adviser, Thai Listed Companies Association
- 2020 - Present Chairperson of Nomination Committee / Independent Director, Precious Shipping Public Company Limited
- 2006 - January 2022 Secretary General and President, Thai Listed Companies Association
- 2001 - 2005 Financial Advisor on the Privatization of State-Owned Enterprises Project, State Enterprise Policy Office, Ministry of Finance
- 1998 - 2001 Associate Director, Investment Banking Department, Dresdner Kleinwort Benson
- 1993 - 1998 Manager, Investment Banking Department, SBC Warburg

OTHER POSITION

- December 2018 - Present Board of Directors and Audit Committee and Remuneration Committee, Readyplanet Public Company Limited
 - April 2018 - Present Board of Directors and Audit Committee, Sabina PLC
 - 2016 - Present Selection Committee for Alumni Award, Faculty of Commerce and Accountancy, Chulalongkorn University Alumni Association
 - 2014 - Present Selection Committee of the Public Service Executive Development Program (PSED), Office of the Public Sector Development Commission
 - 2007 - Present Sub-Committee on Consideration of Regulations on Issuance and Offering of Equity Instruments and Governance of Securities Issuing Companies, Securities and Exchange Commission (SEC)
- Adviser, Thai Listed Companies Association (2022 - Present)

OCCUPATION

DIRECTORSHIP AND POSITIONS HELD IN OTHER COMPANIES AND OTHER ORGANISATIONS

CONNECTED COMPANIES	Nil
NON-CONNECTED COMPANIES	LISTED COMPANIES: Board of Directors and Audit Committee, Sabina Public Company Limited.
	NON - LISTED COMPANIES: Board of Directors and Audit Committee and Remuneration, Readyplanet Public Company Limited
OTHER RELATED COMPANIES (SUBSIDIARIES / ASSOCIATED COMPANIES)	Nil
OTHER ORGANISATIONS	<ol style="list-style-type: none"> 1. Selection Committee for Alumni Award, Faculty of Commerce and Accountancy, Chulalongkorn University Alumni Association 2. Selection Committee of the Public Service Executive Development Program (PSED), Office of the Public Sector Development Commission 3. Sub-Committee on Consideration of Regulations on Issuance and Offering of Equity Instruments and Governance of Securities Issuing Companies, Securities and Exchange Commission (SEC)

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2022:

Description	As of 1 Jan 2022	Acquisition in 2022	Disposal in 2022	Increase (Decrease) in 2022	As of 31 Dec 2022
By himself	-	-	-	-	-
By his spouse and minor children (if any)	-	-	-	-	-

- * Note: Audit Committee Member who has adequate expertise and experience to review creditability of the financial statement.
No family relationship with any of the other Directors or any of the Management Team.

PROFESSOR DR. PAVIDA PANANOND

POSITION

Independent Director / Audit and Corporate Governance Committee Member* / Remuneration Committee Member / Sustainability and Risk Management Committee Member / Nomination Committee Member

DATE OF APPOINTMENT ON THE BOARD

14 March 2011

AGE

55 years

EDUCATION

- 2001 Doctor of Philosophy, Department of Economics, University of Reading, United Kingdom.
- 1992 Master of Business Administration (International Business), Diploma in Management (Asian Studies), McGill University, Canada.
- 1989 Bachelor of Accountancy (Accounting), Chulalongkorn University.

TRAINING AND SEMINARS (Recent and Selective)

- 2022
• 25 June 2021
Director Leadership Certification Program (DLCP 9/2022) by Institute of Directors (IOD).
Panelist, Virus/Vaccine Dynamics/Challenges in the Mekong Region: The Regionalisation Imperative?, seminar organized by the Institute of Security and International Study, Chulalongkorn University
- 27 May 2021
Panelist, The Trade Wars, Technology and Global Value Chains, a seminar organized by United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)
- 29 March 2021
Participant, Investment in Sustainable Recovery: Empirical Analysis, Lessons Learnt and a Future Research Agenda, a seminar organized by Academy of International Business & United Nations Conference on Trade and Development.
- 2020
• 2020
Successful Formulation & Execution of Strategy (SFE) 32/2020 by Institute of Directors (IOD).
Attended (as an observer) the risk management workshop held by the Risk and Internal Control Club, Thai Listed Companies Association (TLCA)
- 2013
• 2012
• 2011
Financial Statements for Director (FSD 22) by Institute of Directors (IOD).
Audit Committee Program (ACP 41) by Institute of Directors (IOD).
Director Certificate Program (DCP 148) by Institute of Directors (IOD).

AWARDS AND SCHOLARSHIPS

- December 2021 - March 2022
• March - December 2020
• 2018
• 2015
• 2015
• 2013 - 2014
• 2013
• 2009 - 2012
• 2008
• 1996 - 2001
• 1992 - 1994
ESCAP- WHO Research Grant (Asia-Pacific in the manufacturing and global supply chain of vaccines)
Economic and Social Commission for Asia and the Pacific (ESCAP), United Nations Research Grant (Outward foreign direct investment and global value chains)
ASEAN @ 50 Fellow, Southeast Asia Centre of Asia-Pacific Excellence and Ministry of Foreign Affairs and Trade, New Zealand
Thammasat University Award for Researcher with Highest Number of International Publication (2013-2014)
Fulbright Thai Visiting Scholar, Fulbright Thailand
Thailand - United States Education Foundation
Thailand Research Fund Grant Number 5610054 (Assessing the merit of home-country support for outward foreign direct investment in neighboring countries)
Department Nominee for Thammasat University's 2014 Best Teacher in Social Sciences
Thailand Research Fund Grant Number 5280032
(Competitive Strategies of Thai Multinationals in the Global Economy).
Best Teacher Award, Thammasat Business School, Thammasat University.
Doctoral scholarship from Thammasat Business School, Thammasat University.
MBA scholarship from Thammasat Business School, Thammasat University.

EXPERIENCE

- June 2022 - Present
• April 2022 - Present
• February 2020 - Present
Member of the Council, Thai-Nichi Institute of Technology
Nomination Committee Member, Precious Shipping Public Company Limited
Sustainability and Risk Management Committee Member, Precious Shipping Public Company Limited.
- October 2018 - Present
• March 2011 - Present
Professor, Thammasat Business School, Thammasat University.
Independent Director, Audit and Corporate Governance Committee Member and Remuneration Committee Member, Precious Shipping Public Company Limited.
- 2010 - 2012
Department Head, Department of International Business, Logistics and Transport, Thammasat Business School, Thammasat University.
- 2006 - September 2018
• 2003 - 2006
• 1992 - 2003
Associate Professor, Thammasat Business School, Thammasat University.
Assistant Professor, Thammasat Business School, Thammasat University.
Lecturer, Thammasat Business School, Thammasat University.

OTHER POSITIONS

- 2022- 2023
• 2019
• 2017 - Present
• 2015 - Present
• 2015 - Present
• 2013 - 2014
Conference Theme Track Chair (International Business Resilience under Global Disruptions), Academy of International Business Annual Conference 2023, Warsaw, Poland
Track Chair (Managing the Global Value Chain), Academy of International Business Annual Conference 2019, Copenhagen, Denmark
Honorary Adviser, Asia New Zealand Foundation, Auckland, New Zealand
Associate Member, John Dunning Centre for International Business, Henley Business School, University of Reading, United Kingdom.
Affiliate Member, Emerging Market Internationalization Research Group, The University of Sydney Business School, University of Sydney, Australia
Conference Chair, Euro-Asia Management Studies Association Annual Conference 2014, Bangkok, Thailand.

- 2013 - 2014 Track Chair (Home Economies and the MNE), Academy of International Business Annual Conference 2014, Vancouver, Canada.
 - April 2013 Visiting Fellow, Henley Business School, University of Reading, United Kingdom.
 - 2013 - 2015 Vice President (Asia), Euro-Asia Management Studies Association.
 - 2010 - Present Member of Advisory Board, Euro-Asia Management Studies Association.
 - 2009 - Present Member of Editorial Boards of academic journals including Southeast Asia Research, Asia-Pacific Journal of Management, Multinational Business Review, Global Strategy Journal, and Journal of International Business Policy.
- University Professor.

OCCUPATION

DIRECTORSHIP AND POSITIONS HELD IN OTHER COMPANIES AND OTHER ORGANISATIONS

CONNECTED COMPANIES	Nil
NON-CONNECTED COMPANIES	Nil
OTHER RELATED COMPANIES (SUBSIDIARIES / ASSOCIATED COMPANIES)	Nil
OTHER ORGANISATIONS	1. Vice President (Asia), Euro-Asia Management Studies Association. 2. Member of Editorial Advisory Board, Southeast Asia Research.

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2022:

Description	As of 1 Jan 2022	Acquisition in 2022	Disposal in 2022	Increase (Decrease) in 2022	As of 31 Dec 2022
By herself	-	-	-	-	-
By her spouse and minor children (if any)	-	-	-	-	-

* Note: Audit Committee Member who has adequate expertise and experience to review creditability of the financial statement.
No family relationship with any of the other Directors or any of the Management Team.

MR. KHALID MOINUDDIN HASHIM

POSITION

Managing Director / Executive Director / Sustainability and Risk Management Committee Member

DATE OF APPOINTMENT ON THE BOARD

11 January 1994

AGE

69 years

EDUCATION

Master's Degree in Management Studies specializing in Finance, University of Bombay.

TRAINING

- 2005 Graduate member of Thai Institute of Directors (IOD) - Completed "Directors Certificate Program" (DCP), Class 57/2005.

EXPERIENCE

- February 2020 - Present Sustainability and Risk Management Committee Member, Precious Shipping Public Company Limited.
- 1994 - Present Managing Director, Precious Shipping Public Company Limited.
- 1991 - 1993 Managing Director, Precious Shipping Limited.
(Converted into Public Company Limited in 1994)
- 1984 - 1991 Head of Shipping Department, Geepee Corporation Limited.
- 1979 - 1983 Senior Executive, Pan Ocean Navigation & Trading Pte. Ltd.

OCCUPATION

Managing Director and Executive Director, Precious Shipping Public Company Limited.

DIRECTORSHIP AND POSITIONS HELD IN OTHER COMPANIES AND OTHER ORGANISATIONS

CONNECTED COMPANIES	Nil
NON-CONNECTED COMPANIES	Nil
OTHER RELATED COMPANIES (SUBSIDIARIES / ASSOCIATED COMPANIES)	Director in the Company's 45 subsidiaries (Subsidiary Companies Nos. 1-3, 5-8, 10-13, 15-20, 22-24, 26-27 and 29-51 on page 78-79 of this Annual Report)
OTHER ORGANISATIONS	1. Deputy Chairman of the Board of Directors and Chairman of the Finance & Audit Committee, The Swedish Club, Sweden. 2. Regional Committee Member, American Bureau of Shipping. 3. Austral - Asia Regional Committee Member, Bureau Veritas. 4. Trustee, Sackhumvit Trust, Bangalore, India.

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2022:

Description	As of 1 Jan 2022	Acquisition in 2022	Disposal in 2022	Increase (Decrease) in 2022	As of 31 Dec 2022
By himself	121,526,275	-	-	-	121,526,275 (7.79% of total paid up shares)
By his spouse and minor children (if any)	-	-	-	-	-

No family relationship with any of the other Directors or any of the Management Team.

MR. KIRIT SHAH**POSITION**

Director / Remuneration Committee Member

DATE OF APPOINTMENT ON THE BOARD

24 April 2007

AGE

69 years

EDUCATION

Studied Commerce from H.R. College of Commerce, Bombay, India.

TRAINING

- 2005 Graduate member of Thai Institute of Directors (IOD) - Completed "Directors Certificate Program" (DCP), Class 57/2005.

EXPERIENCE

- 2018 - Present Director, Gammon Engineering and Contractors Private Limited, India.
- 2007 - Present Director, and Remuneration Committee Member, Precious Shipping Public Company Limited.
- 1999 - 2003 Vice Chairman and Executive Director, Phoenix Pulp and Paper PCL, Bangkok.
- 1989 - 2002 Director, Precious Shipping PCL, Bangkok.
- 1980 - 2003 Managing Director, G. Premjee Ltd., Bangkok.

OCCUPATION

Company Executive.

DIRECTORSHIP AND POSITIONS HELD IN OTHER COMPANIES AND OTHER ORGANISATIONS

CONNECTED COMPANIES	<p>LISTED COMPANIES:</p> <ol style="list-style-type: none"> 1. Director & Vice-Chairman, Christiani & Nielsen (Thai) Public Company Limited. 2. Director, Mega Lifesciences Public Company Limited. <p>NON - LISTED COMPANIES:</p> <ol style="list-style-type: none"> 1. Director, Globex Corporation Limited. 2. Executive Director, Graintrade Limited. 3. Director, Premthai International Limited. 4. Director, Unistretch Limited.* (Lessor of the main operations office space leased by the Company) 5. Director, Maxwin Builders Ltd.* (Provider of hotel and management services) 6. Director, Maestro Controls Limited.* (Service provider of management of the offices leased and apartments owned by the Company and its subsidiary respectively) 7. Director, Gammon Engineering and Contractors Private Limited, India. 8. Director, Eka Software Solutions Pte Ltd.* 9. Director, MJets Limited* <p>*Note: Please refer to "CONNECTED TRANSACTIONS" on page 228-230 of this Annual Report.</p>
NON-CONNECTED COMPANIES	Nil
OTHER RELATED COMPANIES (SUBSIDIARIES / ASSOCIATED COMPANIES)	Nil
OTHER ORGANISATIONS	Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2022:

Description	As of 1 Jan 2022	Acquisition in 2022	Disposal in 2022	Increase (Decrease) in 2022	As of 31 Dec 2022
By himself	-	-	-	-	-
By his spouse and minor children (if any)	-	-	-	-	-

Mr. Kirit Shah is the father of Ms. Nishita Shah and Mr. Ishaan Shah but has no family relationship with any of the other Directors or any of the Management Team.

MR. GAUTAM KHURANA

POSITION	Director / Executive Director / Director (Finance)* <i>(*The person who takes the highest responsibility of finance and accounting in the Company)</i>
DATE OF APPOINTMENT ON THE BOARD	11 February 2020
AGE	46 years
EDUCATION	MBA, INSEAD, France Chartered Financial Analyst, CFA Institute, USA BA Economics, University of Rochester, USA
TRAINING & SEMINARS	<ul style="list-style-type: none"> • August 2022 Attended TLCA- McKinsey Webinar "CEO Excellence" • June 2022 Speaker at HSBC 16th Annual Transport & Logistics Conference • December 2021 Completed "Directors Certificate Program" (DCP) Class 313/2021 by Institute of Directors (IOD) • September 2021 E-Learning CFO's Refresher Course held by the Stock Exchange of Thailand • December 2020 Attended the TLCA CFO Professional Development Program (TLCA CFO CPD) No. 7/2020 Topic "Data privacy law and cyber security law" by Thai Listed Companies Association (TLCA) • December 2020 Speaker at the Capital Link Hong Kong Maritime Forum • September 2020 Attended the TLCA CFO Professional Development Program (TLCA CFO CPD) No. 5/2020 by Thai Listed Companies Association (TLCA) • September 2020 Directors Accreditation Program (DAP 173/2020) by Institute of Directors (IOD) • December 2019 - January 2020 E-Learning CFO Orientation Course held by the Stock Exchange of Thailand • July 2019 Attended the CFO Innovation Thailand Forum in Bangkok • May 2019 Speaker at the Capital Link International Shipping Forum in Shanghai
EXPERIENCE	<ul style="list-style-type: none"> • 2020 - Present Director / Executive Director, Precious Shipping Public Company Limited • 2019 - Present Director (Finance), Precious Shipping Public Company Limited • 2018 - 2019 Chief Financial Officer, Precious Shipping Public Company Limited • 2017 - 2018 Director, Drewry Financial Research Services, UK • 2015 - 2016 Senior Consultant, Galway Group, India • 2004 - 2014 Senior Vice President, DVB Bank, London, Singapore • 2000 - 2003 Manager, Pacific Shipping, Mumbai, India • 1998 - 1999 Associate Consultant, Synygy, Philadelphia, USA
OCCUPATION	Director (Finance) and Executive Director, Precious Shipping Public Company Limited.

DIRECTORSHIP AND POSITIONS HELD IN OTHER COMPANIES AND OTHER ORGANISATIONS

CONNECTED COMPANIES	Nil
NON-CONNECTED COMPANIES	Nil
OTHER RELATED COMPANIES (SUBSIDIARIES / ASSOCIATED COMPANIES)	<ol style="list-style-type: none"> 1. Director in the Company's 45 subsidiaries (Subsidiary Companies Nos. 1-3, 5-8, 10-13, 15-20, 22-24, 26-27 and 29-51 on page 78-79 of this Annual Report) 2. Liquidator of the Company's 7 subsidiaries (Subsidiary Companies Nos. 4, 9, 14, 21, 25, and 28 on page 78 of this Annual Report)
OTHER ORGANISATIONS	Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2022:

Description	As of 1 Jan 2022	Acquisition in 2022	Disposal in 2022	Increase (Decrease) in 2022	As of 31 Dec 2022
By himself	-	-	-	-	-
By his spouse and minor children (if any)	-	-	-	-	-

No family relationship with any of the Directors or any of the others in Management Team.

MR. KHUSHROO KALI WADIA

POSITION	Director
DATE OF APPOINTMENT ON THE BOARD	20 August 1999
AGE	59 years
EDUCATION	Bachelor's Degree in Science, University of Bombay. Chartered Accountant, Institute of Chartered Accountants of India.
TRAINING	
<ul style="list-style-type: none"> • 2005 	Graduate member of Thai Institute of Directors (IOD) - Completed "Directors Certificate Program" (DCP), Class 64/2005.
EXPERIENCE	
<ul style="list-style-type: none"> • 2018 - Present • 2013 - Present • 1999 - Present • 1999 - 2019 • 1994 - 1999 • 1997 - 1998 • 1990 - 1994 • 1988 - 1990 	<p>Director, Gammon Engineering and Contractors Private Limited, India.</p> <p>Managing Director, Christiani & Nielsen (Thai) Public Company Limited.</p> <p>Director, Precious Shipping Public Company Limited.</p> <p>Director (Finance) and Executive Director, Precious Shipping Public Company Limited.</p> <p>Director (Finance & Accounts), Maxwin Group of Companies.</p> <p>Vice President (Finance & Administration), Suretex Limited.</p> <p>Financial Controller, Maxwin Group of Companies.</p> <p>Assistant Manager, A.F. Ferguson & Co.</p> <p>Managing Director, Christiani & Nielsen (Thai) Public Company Limited.</p> <p>Director, Precious Shipping Public Company Limited.</p> <p>Executive Director, Maxwin Builders Ltd.</p>
OCCUPATION	

DIRECTORSHIP AND POSITIONS HELD IN OTHER COMPANIES AND OTHER ORGANISATIONS

CONNECTED COMPANIES	<p>LISTED COMPANIES: Director on the Board of Directors and Managing Director - Christiani & Nielsen (Thai) Public Company Limited.</p> <p>NON - LISTED COMPANIES:</p> <ol style="list-style-type: none"> 1. Director and Executive Director, Maxwin Builders Ltd.* (Provider of hotel and management services) 2. Director, The Atrium Hotel Ltd. 3. Managing Director, Christiani & Nielsen (Myanmar) Limited 4. Chairman of the Board of Directors, Christiani & Nielsen (Cambodia) Co., Ltd. 5. Director, CNT Holdings Ltd. 6. Director, Christiani & Nielsen Energy Solutions Co., Ltd.* 7. Director, CNES D1 Company Limited 8. Non-Executive Director, Gammon Engineering and Contractors Private Limited, India. <p>*Note: Please refer to CONNECTED TRANSACTIONS on page 228-229 of this Annual Report.</p>
NON-CONNECTED COMPANIES	Nil
OTHER RELATED COMPANIES (SUBSIDIARIES / ASSOCIATED COMPANIES)	Nil
OTHER ORGANISATIONS	Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2022:

Description	As of 1 Jan 2022	Acquisition in 2022	Disposal in 2022	Increase (Decrease) in 2022	As of 31 Dec 2022
By himself	-	-	-	-	-
By his spouse and minor children (if any)	-	-	-	-	-

No family relationship with any of the other Directors or any of the Management Team.

MS. NISHITA SHAH

POSITION	Director
DATE OF APPOINTMENT ON THE BOARD	23 August 2002
AGE	42 years
EDUCATION	Bachelor of Science in Business Administration; concentration in Finance and Business Law, Boston University, School of Management.
TRAINING	
• 2015	Transformation & Change - Managing Culture for Success - Thai Listed Company Association, the RBL Group, and ADGES Consulting
• 2007	Graduate member of Thai Institute of Directors (IOD) - Completed "Directors Certificate Program" (DCP) Class 83/2007.
• 2006	Completed "Director Accreditation Program" (DAP), Class 57/2006 of Thai Institute of Directors (IOD).
• 2004	Completed "Anatomy of Shipping" course, Seatrade Academy / Cambridge Academy of Transport.
EXPERIENCE	
• September 2016 - Present	Director / Executive Director, Golden Lime Public Co., Ltd.
• 2002 - Present	Director, Precious Shipping Public Company Limited.
OCCUPATION	Management, GP Group of Companies.

DIRECTORSHIP AND POSITIONS HELD IN OTHER COMPANIES AND OTHER ORGANISATIONS

CONNECTED COMPANIES	LISTED COMPANIES: Director / Executive Director, Golden Lime Public Co., Ltd.
	NON - LISTED COMPANIES: Nil
NON-CONNECTED COMPANIES	Nil
OTHER RELATED COMPANIES (SUBSIDIARIES / ASSOCIATED COMPANIES)	Nil
OTHER ORGANISATIONS	Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2022:

Description	As of 1 Jan 2022	Acquisition in 2022	Disposal in 2022	Increase (Decrease) in 2022	As of 31 Dec 2022
By herself	108,054,537	-	-	-	108,054,537 (6.93% of total paid up shares)
By her spouse and minor children (if any)	-	-	-	-	-

Ms. Nishita Shah is the daughter of Mr. Kirit Shah and the elder sister of Mr. Ishaan Shah but has no family relationship with any of the other Directors or any of the Management Team.

MR. ISHAAN SHAH

POSITION	Director
DATE OF APPOINTMENT ON THE BOARD	14 March 2011
AGE	34 years
EDUCATION	
• 2010	Bachelor of Science in Business Administration, Concentrations in Finance and Law, University of Southern California, Los Angeles, CA, The United States.
• 2006	Rugby School, Rugby, The United Kingdom.
TRAINING	
• 2011	Director Certificate Program (DCP) by Institute of Directors (IOD).
• 2011	Seatrade Academy, University of Cambridge, The United Kingdom.
EXPERIENCE	
• October 2016 - Present	Director, Geepee Corporation Limited
• March 2013 - Present	Director, Mega Lifesciences Public Company Limited.
• January 2012 - Present	Director, Christiani & Nielsen (Thai) Public Company Limited.
• March 2011 - Present	Director, Precious Shipping Public Company Limited.
• 2008 - Present	Director, Globex Corporation Limited.

- 2008 - Present

Director, Graintrade Limited.

OCCUPATION

Company Director

DIRECTORSHIP AND POSITIONS HELD IN OTHER COMPANIES AND OTHER ORGANISATIONS

CONNECTED COMPANIES	<p>LISTED COMPANIES:</p> <ol style="list-style-type: none"> 1. Director, Christiani & Nielsen (Thai) Public Company Limited. 2. Director, Mega Lifesciences Public Company Limited. <p>NON - LISTED COMPANIES:</p> <ol style="list-style-type: none"> 1. Director, Globex Corporation Limited. 2. Director, Graintrade Limited. 3. Director, Unistretch Limited.* (Lessor of the main operations office space leased by the Company). 4. Director, Ambika Tour Limited.* (Seller of air-tickets to the Company). 5. Director, Maxwin Builders Ltd.* (Provider of hotel and management services). 6. Director, Maestro Controls Limited.* (Service provider of management of the offices leased and apartments owned by the Company and its subsidiary respectively). 7. Director, InsurExcellence Life Insurance Brokers Limited* (Life Insurance Broker) 8. Director, InsurExcellence Insurance Brokers Limited* (Insurance Broker) 9. Director, Eastern Energy Chartering Pte Ltd., Singapore (Ship Chartering & Operation services) 10. Director, Geepee Corporation Limited. 11. Director, Mjets Limited <p>*Note: Please refer to "CONNECTED TRANSACTIONS" on page 228-230 of this Annual Report.</p>
NON-CONNECTED COMPANIES	Nil
OTHER RELATED COMPANIES (SUBSIDIARIES / ASSOCIATED COMPANIES)	Director in the Company's 26 subsidiaries (Subsidiary Companies Nos. 1-3, 5-8, 10-13, 15-20, 22-24, 26-27, 29-31 and 52 on page 78-79 of this Annual Report)
OTHER ORGANISATIONS	Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2022:

Description	As of 1 Jan 2022	Acquisition in 2022	Disposal in 2022	Increase (Decrease) in 2022	As of 31 Dec 2022
By himself	-	-	-	-	-
By his spouse and minor children (if any)	-	-	-	-	-

Mr. Ishaan Shah is the son of Mr. Kirit Shah and the younger brother of Ms. Nishita Shah but has no family relationship with any of the other Directors or any of the Management Team.

MS. SIRASA SUPAWASIN

POSITION

Director / Vice President (Legal)

DATE OF APPOINTMENT ON THE BOARD

8 July 2020

AGE

39 years

EDUCATION

Bachelor's Degree in Law, Thammasat University
 Lawyer License, Lawyers Council of Thailand
 Notarial Service Attorney License, Lawyers Council of Thailand

TRAINING & SEMINARS

- July 2022 Attended Women in Maritime Conference held by Norton Rose Fulbright
- June 2022 Attended the Global Summit of Women 2022
- March 2022 Attended the training course "Practical Techniques for complying with Data Protection Law" held by National Institute of Development Administration (NIDA)
- October 2021 Attended the training course "Personal Data Protection Law for Practitioners" held by Law and Development Research Center (LDRC), Faculty of Law, Chulalongkorn University
- April 2018 Completed "Directors Certificate Program" (DCP) Class 254/2018
- October 2013 Attended the training course "CSR Knowledge Management" held by Corporate Social Responsibility Institute (CSRI)
- February 2013 Attended the training course "New CG Principles 2012" held by IOD and the SET

- October 2010 Effective Minute Taking Program, the Thai Institute of Directors
- October 2008 Business Law Training Course, Faculty of Law, Thammasat University
- October 2007 Company Secretary Program, the Thai Institute of Directors
- September 2006 Human Resource Law Training Course, Faculty of Law, Thammasat University

EXPERIENCE

- 2020 - Present Director, Precious Shipping Public Company Limited
- 2019 - Present Vice President - Legal, Precious Shipping Public Company Limited
- 2017 - 2018 Assistant Vice President - Legal, Precious Shipping Public Company Limited
- July 2011 - 2016 Senior Legal and Compliance Manager, Precious Shipping Public Company Limited
- 2007 - 2011 Senior Legal Officer, United Thai Shipping Corporation Limited
- 2005 - 2006 Legal Officer, Daikin Industries (Thailand) Limited

OCCUPATION

Vice President (Legal) and Director, Precious Shipping Public Company Limited

DIRECTORSHIP AND POSITIONS HELD IN OTHER COMPANIES AND OTHER ORGANISATIONS

CONNECTED COMPANIES	Nil
NON-CONNECTED COMPANIES	LISTED COMPANIES: Nil
	NON - LISTED COMPANIES: 1. Director, Quantum PPP Consulting Limited 2. Director, QIC (Thailand) Limited
OTHER RELATED COMPANIES (SUBSIDIARIES / ASSOCIATED COMPANIES)	Nil
OTHER ORGANISATIONS	Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2022:

Description	As of 1 Jan 2022	Acquisition in 2022	Disposal in 2022	Increase (Decrease) in 2022	As of 31 Dec 2022
By herself	-	-	-	-	-
By her spouse and minor children (if any)	-	-	-	-	-

No family relationship with any of the Directors or any of the others in Management Team.



MANAGEMENT TEAM - PROFILE

Mr. Khalid Moinuddin Hashim* Managing Director
Mr. Gautam Khurana* Director (Finance)
Ms. Sirasa Supawasin* Vice President (Legal)

(*For profile and shareholding changes, please refer to **BOARD OF DIRECTORS – PROFILE**)

MR. PRASHANT MAHALINGAM

POSITION

Executive Director and Director (Technical)
(Retired from the Company with effect from 1 January 2023)

AGE

59 years

EDUCATION

Directorate of Marine Engineering Training
 Bachelor's degree in Marine Engineering
 Diploma in Ship Management; Lloyd's Maritime Academy, UK

TRAINING

- December 2021 Completed "Directors Certificate Program" (DCP), Class 313/2021 of Thai Institute of Directors (IOD).

EXPERIENCE

- 2021 - Present Executive Director and Director (Technical), Precious Shipping Public Company Limited
- 2017 - 2020 Vice President (Technical), Precious Shipping Public Company Limited
- May 2013 - 2017 Vice President (Procurement), Precious Shipping Public Company Limited
- 1995 - 2013 Senior Manager (Technical), Precious Shipping Public Company Limited
- 1994 - 1995 Chief Engineer, Precious Shipping Public Company Limited
- 1993 - 1994 Engineer, Precious Shipping Public Company Limited

POSITIONS HELD IN OTHER COMPANIES

Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2022:

Description	As of 1 Jan 2022	Acquisition in 2022	Disposal in 2022	Increase (Decrease) in 2022	As of 31 Dec 2022
By himself	8,069	-	8,069	(8,069)	-
By his spouse and minor children (if any)	69,018	-	50,000	(50,000)	19,018 (0.00% of total paid up shares)

No family relationship with any of the Directors or any member of the Management Team.

MR. SHRILAL GOPINATHAN

POSITION

Director (Commercial)

AGE

65 years

EDUCATION

Bachelor of Commerce, the University of Bombay, India
 Diploma in Shipping, the Norattam Morarjee Institute of Shipping, Bombay, India

EXPERIENCE

- 2021 - Present Director (Commercial), Precious Shipping Public Company Limited
- 1999 - 2020 Vice President (Commercial), Precious Shipping Public Company Limited
- 1989 - 1998 Chartering Manager, Precious Shipping Public Company Limited

POSITIONS HELD IN OTHER COMPANIES

Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2022:

Description	As of 1 Jan 2022	Acquisition in 2022	Disposal in 2022	Increase (Decrease) in 2022	As of 31 Dec 2022
By himself	1,000,000	-	-	-	1,000,000 (0.06% of total paid up shares)
By his spouse and minor children (if any)	-	-	-	-	-

No family relationship with any of the Directors or any member of the Management Team.

MR. NEELAKANTAN VASUDEVAN

POSITION	Vice President (Risk Management)
AGE	61 years
EDUCATION	Post Graduate Diploma in International Trade from Indian Institute of Foreign Trade, New Delhi, India Master's Degree in Management Studies (M.M.S), University of Bombay, Mumbai, India

EXPERIENCE

- 2005 - Present Vice President (Risk Management), Precious Shipping Public Company Limited
- 1999 - 2004 Assistant Vice President (Risk Management), Precious Shipping Public Company Limited
- 1995 - 1998 Insurance & Claims Manager, Precious Shipping Public Company Limited
- 1985 - 1995 Deputy Manager, Shipping Corporation of India Limited

POSITIONS HELD IN OTHER COMPANIES

Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2022:

Description	As of 1 Jan 2022	Acquisition in 2022	Disposal in 2022	Increase (Decrease) in 2022	As of 31 Dec 2022
By himself	315,082	-	-	-	315,082 (0.02% of total paid up shares)
By his spouse and minor children (if any)	28,550	1,000	-	1,000	29,550 (0.00% of total paid up shares)

No family relationship with any of the Directors or any member of the Management Team.

MR. SEBASTIAN ARCANJO CARDOZO

POSITION	Vice President (Fleet Personnel Management)
AGE	62 years
EDUCATION	Bachelor of Science (Nautical Science), India Master Mariner, India

EXPERIENCE

- 2017 - Present Vice President (Fleet Personnel Management), Precious Shipping Public Company Limited.
- 2014 - 2016 Assistant Vice President (Fleet Personnel Management), Precious Shipping Public Company Limited.
- 2004 - 2014 Marine Superintendent - Lead Auditor Quality Systems (ISM Team), Precious Shipping Public Company Limited.
- 1992 - 2004 CAPTAIN - Precious Shipping Public Company Limited.
- 1977 - 1992 Officer on Ships

POSITIONS HELD IN OTHER COMPANIES

NIL

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2022:

Description	As of 1 Jan 2022	Acquisition in 2022	Disposal in 2022	Increase (Decrease) in 2022	As of 31 Dec 2022
By himself	125,000	-	-	-	125,000 (0.00% of total paid up shares)
By his spouse and minor children (if any)	-	-	-	-	-

No family relationship with any of the Directors or any member of the Management Team.

MR. CHANDRASEKHAR SIVARAMAN VENKATRAMAN

POSITION	Vice President - Technical & Information Systems (Fleet Technical Manager) (Appointed as Executive Director and Director (Technical) with effect from 1 January 2023)
AGE	60 years
EDUCATION	First Class Marine Engineer Bachelor's degree in Marine Engineering, India
EXPERIENCE	<ul style="list-style-type: none"> • 2021 - Present Vice President - Technical & Information Systems (Fleet Technical Manager), Precious Shipping Public Company Limited • 2018 - 2020 Vice President (Technical & Information Systems), Precious Shipping Public Company Limited • 2017 - 2018 Assistant Vice President (Technical), Precious Shipping Public Company Limited • 2003 - 2016 Senior Manager (Technical), Precious Shipping Public Company Limited • 1995 - 2003 Technical Superintendent, Precious Shipping Public Company Limited • 1992 - 1995 Chief Engineer, Precious Shipping Public Company Limited • 1986 - 1992 Second Engineer, Precious Shipping Public Company Limited
POSITIONS HELD IN OTHER COMPANIES	Engineer on ships, SISCO India & Anglo Eastern Ship Management Company Hong Kong Director in the Company's 45 subsidiaries (Subsidiary Companies Nos. 1-3, 5-8, 10-13, 15-20, 22-24, 26-27 and 29-51 on page 78-79 of this Annual Report)

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2022:

Description	As of 1 Jan 2022	Acquisition in 2022	Disposal in 2022	Increase (Decrease) in 2022	As of 31 Dec 2022
By himself	1,075,000	-	-	-	1,075,000 (0.07% of total paid up shares)
By his spouse and minor children (if any)	3,014	-	-	-	3,014 (0.00% of total paid up shares)

Mr. Chandrasekhar Sivaraman Venkatraman is the spouse of Ms. Wimonwan Jaysrichai.

MR. SHANKAR GIRI SHANKAR

POSITION	Vice President (Chartering)
AGE	66 years
EDUCATION	Bachelor's degree in Commerce, University of Madras, India.
EXPERIENCE	<ul style="list-style-type: none"> • 2021 - Present Vice President (Chartering), Precious Shipping Public Company Limited • 1994 - 2020 Assistant Vice President (Chartering), Precious Shipping Public Company Limited • 1993 - 1994 Assistant Manager (Commercial), Century Shipping • 1984 - 1993 Deputy Manager (Operations), Continental Shipping • 1983 - 1984 Commercial Assistant, Jay Shree Shipping
POSITIONS HELD IN OTHER COMPANIES	Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2022:

Description	As of 1 Jan 2022	Acquisition in 2022	Disposal in 2022	Increase (Decrease) in 2022	As of 31 Dec 2022
By himself	-	-	-	-	-
By his spouse and minor children (if any)	-	-	-	-	-

No family relationship with any of the Directors or any member of the Management Team.

MR. MINHAI ZAFAR

POSITION	Vice President (Procurement and Technical)
AGE	63 years
EDUCATION	Bachelor's degree in Marine Engineering, Directorate of Marine Engineering Training Diploma in Ship Management, Lloyd's Maritime Academy, UK
EXPERIENCE	
<ul style="list-style-type: none">• 2021 - Present• 2017 - 2020• 1996 - 2016• 1993 - 1996• 1988 - 1993	Vice President (Procurement and Technical), Precious Shipping Public Company Limited Assistant Vice President (Procurement), Precious Shipping Public Company Limited Senior Manager (Technical), Precious Shipping Public Company Limited Chief Engineer, Precious Shipping Public Company Limited Chief Engineer, India Steam Ship Company Ltd, Kolkata and Univan Ship Management, Hong Kong

POSITIONS HELD IN OTHER COMPANIES

Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2022:

Description	As of 1 Jan 2022	Acquisition in 2022	Disposal in 2022	Increase (Decrease) in 2022	As of 31 Dec 2022
By himself	53,850	-	37,400	(37,400)	16,450 (0.00% of total paid up shares)
By his spouse and minor children (if any)	-	-	-	-	-

No family relationship with any of the Directors or any member of the Management Team.

MR. NARIT LIKKASITTIPHAN

POSITION	Vice President (Technical)
AGE	56 years
EDUCATION	Bachelor's degree in Marine Engineer Merchant Marine Training Centre, Thailand
EXPERIENCE	
<ul style="list-style-type: none">• January 2021 - Present• January 2017 - December 2020• November 2003 - December 2016• May 1991 - October 2003	Vice President (Technical), Precious Shipping Public Company Limited Assistant Vice President (Technical), Precious Shipping Public Company Limited Senior Manager (Technical), Precious Shipping Public Company Limited Engineer and Chief Engineer, Precious Shipping Public Company Limited
POSITIONS HELD IN OTHER COMPANIES	Director in the Company's 25 subsidiaries (Subsidiary Companies Nos. 1-3, 5-8, 10-13, 15-20, 22-24, 26-27, 29-31 on page 78-79 of this Annual Report)

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2022:

Description	As of 1 Jan 2022	Acquisition in 2022	Disposal in 2022	Increase (Decrease) in 2022	As of 31 Dec 2022
By himself	-	-	-	-	-
By his spouse and minor children (if any)	-	-	-	-	-

No family relationship with any of the Directors or any member of the Management Team.

MS. SOMPRATHANA THEPNAPALERN

POSITION	Vice President - Corporate Finance, Company Secretary
AGE	52 years
EDUCATION	Master of Science in Accounting, Thammasat University Bachelor of Business Administration in Accounting, Thammasat University Certified Public Accountant of Federation of Accounting professions
TRAINING	
<ul style="list-style-type: none">• March 2022	Attended the TCFD Climate-related disclosures and implementation held by the Securities and Exchange Commission, Thailand

- 22-23 June 2021 Attended the “TCFD & SDGs Workshop: Advanced” held by the Stock Exchange of Thailand
- September & November 2019 Workshop for TFRS 9 Financial Instruments: Classification, Measurement, Impairment, Disclosure and Hedge Accounting of Financial Instruments held by Federation of Accounting Profession
- June 2018 Attended the training course on the topic “Sustainability Evaluation and Data Management” held by the Stock Exchange of Thailand
- February 2017 Completed “Director Accreditation Program” (DAP 134/2017) of Thai Institute of Directors (IOD)
- June 2010 Attended the training course on the topic “Effective Minute Taking” held by the Thai Institute of Directors
- October 2004 Attended the training course on the topic “Company Secretary Program” held by the Thai Institute of Directors

EXPERIENCE

- 2021 - Present Vice President - Corporate Finance, Precious Shipping Public Company Limited
- May 2008 - Present Company Secretary, Precious Shipping Public Company Limited
- 1999 - 2020 Assistant Vice President (Finance & Accounts), Precious Shipping Public Company Limited
- 1996 - 1999 Finance Executive, Precious Shipping Public Company Limited
- 1992 - 1996 Senior Auditor, SGV-Na Thalang & Co., Ltd.

POSITIONS HELD IN OTHER COMPANIES

Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2022:

Description	As of 1 Jan 2022	Acquisition in 2022	Disposal in 2022	Increase (Decrease) in 2022	As of 31 Dec 2022
By herself	658,000	-	658,000	(658,000)	-
By her spouse and minor children (if any)	-	-	-	-	-

No family relationship with any of the Directors or any member of the Management Team.

MS. WIMONWAN JAYSRI CHAI

POSITION

Vice President - Group Accounts*

(*The person who supervises accounting in the Company, and is a qualified accountant who has the qualifications and conditions in accordance with the rules specified in the Notification of the Business Development Department)

AGE

49 years

EDUCATION

Master Degree in Financial Accounting from Chulalongkorn University
Bachelor Degree in Commerce and Accountancy from Thammasat University
Certified Public Accountant of Federation of Accounting professions

TRAINING

- November 2022 Summary of financial reporting standards TFRS that have changed and come into force in 2023 held by the SET (total 3 hours)
- July 2022 Digital Asset and business growth opportunities (New S-Curve), held by the SET (total 6 hours)
- March 2022 Attended the “TCFD & SDGs Workshop: Advanced” held by the SEC (total 5 hours)
- February 2022 Upgrade financial personnel to become The Next Normal Financial Professional held by the SET (total 3 hours)
- September 2021 Preliminary to Corporate Sustainability, held by the Stock Exchange of Thailand (“SET”) (total 2 hours) and M&A Trends, Direction, Key Points to Consider and M&A Strategies (total 5 hours)
- July 2021 The development of accounting systems in the digital era, held by the Federation of Accounting Profession (FAP) (total 6 hours)
- June 2021 Attended the “TCFD & SDGs Workshop: Advanced” held by the SET (total 5 hours)
Financial Analysis, held by the Department of Business Development (DBD), Ministry of Commerce (MOC) (total 7 hours)
Attended a seminar on Key points related to TFRS for PAEs which have to be adopted and the changes in 2021 held by the SET (total 6 hours)
Guidelines for preparing financial reports for companies affected by COVID-19 held by the SET (total 6 hours)
- May 2021 Attended the “TCFD & SDGs Workshop: Beginners” held by the SET (total 5 hours)

- November 2020 Corporate Finance, held by the FAP (total 7 hours)
- May 2020 Cash Flow, held by the Department of Business Development (DBD), the MOC (total 6 hours)
- September 2019 TFRS 9 Workshop: Impairment of Financial instruments, hedge accounting and classification and measurement of financial assets, held by the FAP (total 18 hours)
- July 2019 Preparing for TFRS 16 Lease and understanding audit reports, held by Department of Business Development (DBD), the MOC (total 7 hours)
- June 2019 TAS 8 Accounting policies, accounting estimates and errors to reflect corrections of prior period errors and tax effects, held by DBD, the MOC (total 6 hours)
Comprehensive summary of TFRS 9, TFRS 15 and TFRS 16 including impacts and case studies, held by the SET (total 14 hours)

EXPERIENCE

- 2021 - Present Vice President - Group Accounts, Precious Shipping Public Company Limited
- 2019 - 2020 Assistant Vice President - Group Accounts, Precious Shipping Public Company Limited
- August 2015 - 2019 Senior Manager : Group Accounts, Precious Shipping Public Company Limited
- 1999 - July 2015 Senior Manager : Accounts, Precious Shipping Public Company Limited
- 1995 - 1999 Senior Auditor, PricewaterhouseCoopers ABAS Ltd. (PwC)

POSITIONS HELD IN OTHER COMPANIES

Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2022:

Description	As of 1 Jan 2022	Acquisition in 2022	Disposal in 2022	Increase (Decrease) in 2022	As of 31 Dec 2022
By herself	3,014	-	-	-	3,014 (0.00% of total paid up shares)
By her spouse and minor children (if any)	1,075,000	-	-	-	1,075,000 (0.07% of total paid up shares)

Ms. Wimonwan Jaysrichai is the spouse of Mr. Chandrasekar Sivaraman Venkatraman.

MS. NALINTHIP SANTINANON

POSITION

Assistant Vice President (Accounts & MIS)

AGE

40 years

EDUCATION

Master Degree in Accounting from Thammasat University
Bachelor Degree in Accountancy from Chulalongkorn University
Certified Public Accountant of Federation of Accounting professions

EXPERIENCE

- 2021 - Present Assistant Vice President (Accounts & MIS), Precious Shipping Public Company Limited
- August 2015 - 2020 Senior Manager (Accounts & MIS), Precious Shipping Public Company Limited
- August 2009 - July 2015 Manager - Accounts, Precious Shipping Public Company Limited
- April 2003 - July 2009 Auditor, EY Office Limited

POSITIONS HELD IN OTHER COMPANIES

Nil

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2022:

Description	As of 1 Jan 2022	Acquisition in 2022	Disposal in 2022	Increase (Decrease) in 2022	As of 31 Dec 2022
By herself	-	-	-	-	-
By her spouse and minor children (if any)	-	-	-	-	-

No family relationship with any of the Directors or any member of the Management Team.

None of the Directors or anyone from the Management Team have been penalized for criminal and/or civil offences by the SEC under the Securities and Exchange Act B.E. 2535 and all relevant laws and regulations.

OTHER RELEVANT PERSONS IN THE ORGANISATION

- **Authorized Directors of the Company:** Mr. Khalid Moinuddin Hashim, Mr. Kirit Shah, Mr. Ishaan Shah and Mr. Gautam Khurana (*Signing Power: any two of the Authorized Directors with the Company's Seal*).
- **The person who takes the highest responsibility of finance and accounting in the Company:** Mr. Gautam Khurana (*his detailed profile is disclosed hereunder the sub-section of "Board of Directors - Profile" of this Enclosure 1: Information of Relevant Persons in the Organisation*).
- **The person who supervises accounting in the Company:** Ms. Wimonwan Jaysrichai (*her detailed profile is disclosed hereunder the sub-section of "Management Team - Profile" of this Enclosure 1: Information of Relevant Persons in the Organisation*).
- **Company Secretary:** Ms. Somprathana Thepnaplern (*her detailed profile is disclosed hereunder the sub-section of "Management Team - Profile" of this Enclosure 1: Information of Relevant Persons in the Organisation*).

In keeping with good corporate governance, the Company designated a Company Secretary viz. Ms. Somprathana Thepnaplern, having duties and responsibilities in accordance with the Securities and Exchange Act and to be responsible for overseeing and advising the Board and the Management regarding applicable laws, rules, regulations and good corporate governance, besides taking the responsibility of holding the Board and shareholders' meetings. The additional tasks include assisting the Board to comply with resolutions and safeguard the Company's documents and information. The Company Secretary also provides any newly appointed director with the background of the Company's business, profile and industry along with all the relevant documents such as the Director's handbook, the Company's corporate documents, CG Policy Manual, Business Ethics and Code of Conduct Manual, Anti-Corruption Policy, laws, regulations and practices which are related to the trading of Company's shares.

- **Head of Legal and Compliance Department:** Ms. Sirasa Supawasin (*her detailed profile is disclosed hereunder the sub-section of "Board of Directors - Profile" of this Enclosure 1: Information of Relevant Persons in the Organisation*).
- **Head of the Internal Audit Department:** Ms. Panida Satjadechachai

POSITION	Internal Audit Manager
AGE	46 years
EDUCATION	Master's Degree in Accounting, Thammasat University
TRAINING	
November 2022	Certificate in ESG Management (2/2022) by the Stock Exchange of Thailand
June 2022	ISO27001:2013 Internal Audit Training Course by Bureau Veritas Thailand
November 2021	TCFD & SDGs Workshop: TCFD in Finance by UK PACT Green Recovery Challenge Fund and the Stock Exchange of Thailand
October 2021	TCFD & SDGs Workshop: ESG Risk Analysis and GHG Accounting by UK PACT Green Recovery Challenge Fund and the Stock Exchange of Thailand
October 2021	Personal Data Protection Law for Practitioners held by Law and Development Research Center (LDRC), Faculty of Law, Chulalongkorn University
June 2021	TCFD & SDGs Workshop: Advanced by UK PACT Green Recovery Challenge Fund and the Stock Exchange of Thailand
May 2021	TCFD & SDGs Workshop: Beginners by UK PACT Green Recovery Challenge Fund and the Stock Exchange of Thailand

November 2020	Accounting and Tax planning in general business held by Federation of Accounting Professions (FAP)
August 2020	Sustainable Supply Chain Management held by Corporate Social Responsibility Institute (CSRI)
June 2019	Company Secretary Program held by the Thai Institute of Directors (IOD)
November 2018	Anti-Corruption Working Paper Program held by Collective Action Coalition Against Corruption (CAC) and Federation of Accounting Professions (FAP)
June 2018	Sustainability Risk and Materiality Analysis held by Corporate Social Responsibility Institute (CSRI)
June - September 2014	Attended the training course “Certification Program Internal Auditors (Thailand)” held by the Institute of Internal Auditors of Thailand
January 2014	COSO Internal Control Framework 2013 held by Federation of Accounting Professions (FAP)

EXPERIENCE

August 2012 - Present	Internal Audit Manager, Precious Shipping Public Company Limited
2006 - 2012	Assistant Internal Audit Manager, Precious Shipping Public Company Limited

NO. OF SHARES HELD (SHARES) AS OF YEAR END 2022:

Description	As of 1 Jan 2022	Acquisition in 2022	Disposal in 2022	Increase (Decrease) in 2022	As of 31 Dec 2022
By herself	-	-	-	-	-
By her spouse and minor children (if any)	-	-	-	-	-

No family relationship with any of the Directors or any member of the Management Team.



Enclosure 2 - Information on Directors in Subsidiaries

(as of 31 December 2022)

Name	Details	PSL	Subsidiaries Nos. 1-3, 5-8, 10-13, 15, 31	Subsidiaries Nos. 16-20, 22-24, 26-27, 29-30	Subsidiaries Nos. 32-49	Subsidiaries Nos. 50-51
(1)	Mr. Chaipatr Srivisarvacha	X				
(2)	Mr. Kamtorn Sila-On	/				
(3)	Mr. Khalid Moinuddin Hashim	//	/	/	/	/
(4)	Mr. Gautam Khurana	//	/	/	/	/
(5)	Mr. Khushroo Kali Wadia	/				
(6)	Ms. Nishita Shah	/				
(7)	Mr. Kirit Shah	/				
(8)	Professor Dr. Pavida Pananond	/				
(9)	Mr. Ishaan Shah	/	/	/		
(10)	Ms. Pensri Suteerasarn	/				
(11)	Ms. Sirasa Supawasin	/				
(12)	Mr. Prashant Mahalingam	//				
(13)	Mr. Chandrasekhar Sivaraman Venkatraman		/	/	/	/
(14)	Mr. Narit Likkasittiphan		/	/		
(15)	Mr. Akasit Lawsirirut		/			
(16)	Mr. Panya Thangto			/		
(17)	Mr. Henry Charles Mytton Mills				/	
(18)	Mr. Ajaib Hari Dass				/	

Remarks: / = Director X = Chairman // = Executive Director



Enclosure 3 - CORPORATE GOVERNANCE POLICY MANUAL

Introduction

Precious Shipping Public Company Limited (“The Company”) recognizes that good corporate governance is important and necessary for sustainable growth in business and long term shareholder value. We will manage all our business affairs in accordance with the highest principles of good governance.

The Board of Directors has reinforced corporate governance by including policies and directions on operating the business, set up adequate internal controls and internal audit systems and monitoring management to perform effectively under the policy to ensure long term interests of shareholders under applicable laws with full transparency and correct business ethics. A corporate governance policy manual outlining its features has been drawn up by the Company according to the principles and practices as set out in the latest corporate governance code (CG Code) issued by the Securities and Exchange Commission (“SEC”) and already circulated to the Company’s employees for the recognition of the necessity of good corporate governance.

The Board of Directors conducts an annual review of corporate governance policy and evaluation of the policy implementation so that the corporate governance policy of the Company is up to date and appropriate with the current situation.

Definition

Corporate governance is a set of structure and process of relationships between company’s management, its board and its shareholders to enhance its competitiveness towards business prosperity and long-term shareholder value taking into consideration the interests of other stakeholders.

Top executives are executive directors on the Executive Board of Directors.

Management refers to the management as defined by the Stock Exchange of Thailand (“SET”), that incorporates the managing director and the first four top-ranking executives after the managing director, as well as all other 4th ranking equivalents and accounting or finance executives of department head level and up.

The main components of the Company’s corporate governance policy are as follows:

1. Rights of shareholders
2. Equitable treatment of shareholders
3. Role of stakeholders
4. Information disclosure and transparency
5. Responsibilities of the Board
6. Supervision of subsidiaries and associated companies
7. Controlling systems and risk management policy
8. Business ethics

1. Rights of Shareholders

The Board of Directors is expected to be careful and circumspect in discharging its responsibilities with full awareness of all shareholders' rights and the need for equitable treatment and to safeguard the interests of all shareholders.

The Company's shareholders shall have the rights as follows:

- Right to buy /sell or rights to transfer shares.
- Right to share in profits of the Company.
- Right to obtain relevant and adequate information on the Company in timely manner.
- Right to participate and vote in the shareholders meetings to elect or remove members of the Board, appoint the external auditor and make decisions on any transactions that affect the Company such as dividends payment, amendments to the Company's articles of association or the Company's byelaws, capital increases or decreases, and the approval of extraordinary transactions, etc.
- Right to propose agenda items for shareholders meeting and nominate suitable candidates to be a member of the Board of Directors of the Company.

Shareholders are fully informed of the criteria and procedures governing shareholder meetings. Sufficient information regarding the issues to be decided in each agenda item has been provided in advance of the meeting. Shareholders are able to query Directors both in the meeting and by sending their questions in advance. The Board of Directors recognizes and values shareholders rights and avoids any action that violates those rights.

Shareholders' Meeting

- The Board of Directors publicly discloses policies to encourage all shareholders including institutional ones, to attend the Company's shareholders meeting.
- Shareholders receive adequate and complete meeting information in advance of the shareholders meeting and can access the information via the Company's website one (1) month prior to the meeting.
- All arrangements are made for shareholders to participate in the meeting. Conveniences like registration and barcode based vote-count system, proxy form that allow shareholders to exercise their voting right and convey their decision without attending the meeting. List of independent directors that shareholders can grant proxy to, refreshment, language translation services, etc., are provided for the convenience of both, local as well as international shareholders.
- The shareholders meeting shall proceed in accordance with the meeting notice. In the election of Directors, shareholders can propose, vote for or against each nominated candidate individually. During the meeting, shareholders are open to inquire or express points of view, and concerned Directors will explain adequately. There will be a precise resolution outlining the conclusion after each agenda's vote casting.
- The Board encourages the Company to appoint an independent party of scrutinizers/inspectors to count and/or validate votes at the shareholders' meeting. These scrutinizers are disclosed at the meeting and recorded in the minutes.
- For the sake of transparency and future reference, the Board encourages the use of voting cards for important agenda items such as related party transactions or acquisitions or disposal of significant assets.
- All Directors should attend the shareholder meetings. Shareholders are able to ask questions directly to the chairpersons of the committee responsible for any specific issue.
- The Company prepares minutes of shareholders' meetings, which are clear and complete and include the names of Board members' who attended the meeting. The minutes also include a correct and complete record of questions/answers, voting method, vote counting procedure and voting results.

2. Equitable Treatment of Shareholders

The Company takes care and treats all shareholders, both major shareholders and minority shareholders as well as foreign shareholders on a fair and equal basis. The Board ensures that all shareholder rights are protected and that they all get fair treatment.

Release of information before the Shareholders' meeting

- The Board of Directors ensures that the Company releases its annual general meeting notice, with detailed agenda and explanatory notes, at least four (4) weeks before the date of the meeting.
- The Board ensures that the company informs shareholders of meeting procedures and voting criteria, including the voting rights.
- The Company's notice of shareholders meeting is fully translated into English and published at the same time as the local language version.

Protection of Minor Shareholders' Rights

- The Board defines the procedures and provides an opportunity for shareholders to propose agenda items and to nominate candidates to be Director in advance for the annual general meeting of shareholders (AGM) through various channels including the Company's website.
- The Board provides an opportunity for shareholders to elect Directors by voting on the given ballot papers for each of the Directors separately.
- The Board is committed to not adding any new agenda item without notice to shareholders in advance.

Protection against abuse of inside information

Pursuant to section 59 of the Securities and Exchange Act B.E. 2535, all Directors and management team members are required to report the changes in their shareholding to the Company secretary and the Office of the Securities and Exchange Commission within three (3) business days from the date of trading/transfer of the Company's shares and/or warrants (as the case may be). Such reporting shall extend to any change in shareholding of any Director/management team member's: (i) spouse, (ii) cohabiting partner, (iii) minor children, and (iv) any juristic person in which such Director/management team member holds more than 30% of the total voting rights of such juristic person (including that of his/her spouse, cohabiting partner and minor children), ((i) to (iv) referred to as "relevant persons"). The changes in the shareholding of the Directors are reported to the Board of Directors at the quarterly Board meetings.

The Company secretary reports to the Board of Directors at the Board of Directors meetings every quarter on any changes in the shareholding of Board members and top executives.

To prevent abuse of inside information, the Company does not allow the following persons to trade/transfer the Company's shares/warrants (as the case may be) during the period of one (1) month before and two (2) days after any financial announcement of the Company and also at least five (5) days before the Company makes any other significant announcement (known as the "silent period"):

- All Directors and management team members including their relevant persons; and
- The Company's personnel in the finance and accounts department, the legal department, the internal audit department, the information systems department, and the investor relations department who are close to the relevant inside information of the Company.

The head of legal and compliance regularly notifies the above personnel of the silent period in advance by email and monitors compliance therewith.

Moreover, all Directors and management team are encouraged to inform the Company their intention (including that of their relevant persons) to trade/transfer the Company shares/warrants (as the case may be) at least a day in advance.

Conflict of interest

The Board has established guidelines to prohibit a Director/management, who has a conflict of interest on a particular issue, from participating in the decision-making process.

The Company has implemented measures to prevent conflicts of interest as follows

- Directors disclosing their interests and those of their related parties to the Board.
- Directors reporting their ownership of the Company's shares and warrants to the Board regularly.
- Director/management, who has a conflict of interest on a particular issue, is prohibited from participating in the decision-making process related to that issue. Normally a Director/management, who has a conflict of interest on an issue, will leave the meeting and join back once the issue has been discussed and a decision on the same is made.
- Directors and management team disclose and report their conflict of interests, including dealings with their relatives, if any, to the Company for the Company's use in complying with the regulation about connected transactions. Such report on interest is also useful in monitoring their adherence to their duties, by the following practices;
 - A new Director/management submits the "Report on Conflict of Interest Transaction" form within thirty (30) days after appointment.
 - Thereafter, if there is a change, Director/management submits the updated "Report on Conflict of Interest Transaction" form immediately or no later than seven (7) working days from the transaction date.
 - The Company secretary submits a copy of the report on interest to the Chairman of the Board of Directors and the Chairman of Audit and Corporate Governance Committee within seven (7) working days from the date on which the Company has received such a report.
- All management and employees are required to report potential conflicts of interest on an annual basis. If a conflict of interest occurs, the person must promptly inform their supervisor using the electronic form for acknowledgment and further action.

Any transaction which could lead to a potential conflict of interest and/or a related party transaction is considered very carefully by the Board of Directors with a view to full compliance with the relevant rules and regulations of the SET and the SEC, apart from compliance with the internal policies and guidelines set up by the Company. Moreover, such transactions are entered into strictly on an "Arms-Length" basis. The terms and conditions of such transactions are always in compliance with generally acceptable, standard commercial terms and conditions, and appropriate disclosure regarding the details of the transactions viz. value, counterparty, reason, and necessity of the transaction is made in the annual report and also in form 56-1.

3. Role of Stakeholders

The Board of Directors is expected to be aware, careful, and circumspect of the stakeholders' rights as provided by law and encourage cooperation between the Company and stakeholders to create wealth, jobs, financial stability, and sustainability of the business. Stakeholders should have access to necessary information.

The Company defines clear measures on how stakeholders can launch their complaints, opinions, and suggestions, or raise complaints about illegal or unethical conduct by the Company's employees or other stakeholders.

The Company sets guidelines for treatment of stakeholders based on fair and equitable treatment.

The above measures/guidelines are explained in the business ethics and code of conduct manual of the Company.

4. Information Disclosure and Transparency

- Board has a duty to disclose information whether it is related to financial matters or not. The disclosure should be accurate, complete, adequate, reliable, and timely so that the company's shareholders and stakeholders (if required) are well-versed with the information equally as stipulated by laws, state agencies, and concerned organizations.
- Company information must be compiled with care, clarity, and should be concise, linguistically simple, and transparent. Important information must be disclosed regularly, both, on the positive and negative side, but due care must be exercised not to confuse and mislead users. More attention must be paid to the content than the form, and all efforts must be made to completely spell out the conditions or assumptions made.
- Company must maintain information dispensing channels that are easy for users to access information in a timely manner. The result should be worth the cost.
- The Board must set up an investor relations unit to assist in communicating with the shareholders, investors, as well as securities' analysts. The Board should provide adequate resources to help develop executives' knowledge and abilities in presenting information and enhancing their communication skills.

Silent Period

For a period of two (2) weeks prior to the planned release of financial reports (known as the "silent" or "quiet" period), the spokesperson as a representative of the Company will not discuss matters related to the group's future financial performance or expectations with financial media, analysts and investors.

5. Responsibilities of the Board

5.1 Leadership and Vision

The Board of Directors is the main driver in defining the direction of the Company's performance, achieving its goals and objectives and to define the Company mission, vision, core values, strategy, business plan, appointment of competent and effective top executives and managing the Company's affairs with good corporate governance in order to achieve its objectives in accordance with the Company's policy and in accordance with the law. The Board of Directors comprises of persons who have the knowledge, expertise, business experience and backgrounds which qualify them to perform their duties and responsibilities in accordance with the highest standards of business ethics.

5.2 Set-up of clear Structure, Rules, Duties, responsibilities and Independence of the Board of Directors

The Company has six (6) Boards/Committees as follows:

5.2.1 The Board of Directors

Board Composition

- The Board of Directors is composed of at least five (5) and not more than twelve (12) directors out of which at least one third are independent directors, which shall not be less than three (3) directors.
- The Company considers increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The Board members represent diversity from a range of perspectives including gender, age, educational background, skills, knowledge, and professional experience.
- The Chairman of the Board and Managing Director are separate persons in order to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board

for independent decision making. The Chairman of the Board is an independent director, the leader of the Board, and has duties as the chairman of both Board and shareholders' meetings. The Managing Director is the head and leader of the Company's executives and is responsible to the Board for managing the Company in order to achieve all planned objectives.

- The Director's term is defined in the Company's articles of association. A Director who has completed his/her term is eligible for re-election by shareholders.

Board Diversity Policy

The Company considers increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and sustainable development. The Board members represent diversity from a range of perspectives including gender, age, educational background, skills, knowledge, and professional experience. This diversity is important to ensure that the Company has a well-rounded and balanced perspective on the issues and opportunities it faces. A diverse Board with a significant number of female directors can lead to better decision making which provides a competitive advantage for the Company. Accordingly, it is recommended that at least 30% of the board be composed of female directors, as it is a good practice for diversity and inclusivity.

Furthermore, having a diverse Board of Directors with members who possess a range of skills and experiences is important for the Company. This diversity can bring valuable insights and perspectives to the table, particularly in areas such as shipping, financial management, technology, risk management, law, and compliance. These skill sets can help the Company make well-informed decisions and navigate potential challenges in these areas.

When selecting new directors, the Board of Directors evaluates candidates based on their qualifications and the mix of skills they bring to the table. They also take into account diversity and how the candidate aligns with the Company's strategic direction.

Qualifications of Directors

- Qualified according to the Public Limited Companies Act, Securities and Exchange Act including other relevant laws and regulations and in accordance with the good corporate governance policy of the Company.
- Knowledgeable, possess good background experience, capable, independent to perform Director's duties with care and loyalty, and able to attend Directors' meetings regularly.
- Having knowledge in one or more of the following fields: shipping, international trading, business strategy, international accounting, international finance, law and corporate governance.
- Not holding board positions in more than five (5) listed companies (including the Company).
- Not holding position or involved in any competing maritime business.
- Completed the Thai IOD Director's certification program within six (6) months of appointment.
- Age not more than 70 years unless specifically extended.
- Unless there is reasonable ground or necessity, each director must attend at least 75% of all board meetings held in a year.

Independent Directors

An Independent Director is a Director who is independent from management of the Company and/or its subsidiaries, who does not have any related business or activities, and has no business with the Company, which may compromise the interests of the Company and/or the shareholders, and has the full qualifications prescribed by the announcements of the SEC and SET. An Independent Director shall serve a three (3) years term. The appropriate term for Independent Director is no

more than three (3) consecutive terms except for when a director is deemed suitable to hold the position for a longer period. The Board will consider the independence and effectiveness of the Independent Director who is under consideration and defend their decision to the shareholders, if required.

Roles of Independent Director

- At least one-third of the Board of Directors is comprised of independent directors and there are at least three (3) independent directors on the Board.
- The Chairman is an independent director.
- The Audit and Corporate Governance Committee is entirely comprised of independent directors.

Qualifications of Independent Directors

- The Independent Director must not hold shares exceeding 0.5 percent each, including shares held by a related person, of paid-up capital of the Company, a subsidiary or of an affiliated, associated or a related company.
- The Independent Director must not be involved in the day-to-day management and must not be an executive director, employee or advisor who receives salary or other kinds of compensation from the Company, its subsidiaries, or affiliated companies, associated companies or related companies or with the major shareholders of the Company during the period of two (2) years before the date of appointment as Independent Director.
- The Independent Director must not have any business relationship pursuant to the regulations of the Securities and Exchange Commission and also must be free of any present, direct or indirect, financial or other interest in the management and business of the Company, its subsidiaries, associated companies, or its major shareholders during the period of two (2) years before the date of appointment as Independent Director.

The term 'business relationship' under the above paragraph, such as any normal business transaction, rental, or lease of immovable properties, transaction relating to assets or services, or grant or receipt of financial support through receiving or extending loans, guarantee, providing assets as collateral, including any other similar action whose value exceeds 20 MB or more than 3% of the net tangible assets, whichever is lower.

- The Independent Director must not be the external auditor of the Company, its subsidiaries, or affiliated companies, associated companies or related companies, or with its major shareholders nor be a significant shareholder, a controlling person or a partner of such audit firm which employs external auditors of the Company, its subsidiaries, or affiliated companies, associated companies or related companies, or with its major shareholders during the period of two (2) years from the date of appointment as Independent Director.
- The Independent Director must not be a provider of any professional services, such as legal advisor, financial advisor or asset appraisal who receives service fees exceeding Baht 2,000,000 per year from the Company, its subsidiaries or affiliated companies, associated companies or related companies, or with its major shareholders during the period of two (2) years from the date of appointment as Independent Director.
- The Independent Director must not be a blood relative or legal relative of any Executive Director, management, major shareholder or significantly influential person in/of the Company.
- The Independent Director must not be acting as a nominee or representative of any director, major shareholder or shareholders, who are a relative of any major shareholders of the Company.
- The Independent Director must be able to carry out their duties, exercise their judgment, and report the committee's performances, which are assigned by the Board of Directors without being influenced by Executive Directors or major shareholders of the Company, including related persons or relatives.

Independent Directors' roles and duties

- Independent Directors should gain access to financial and other business information adequately for them to perform their duties effectively.
- They are expected to regularly attend every board meeting, including committee meetings, and raise good questions to ensure the interests of company's shareholders' and the protection of rights of other stakeholders', and ensure that the Company complies with best practices.
- Independent Directors are expected to possess abilities and display willingness to learn company's business and are also expected to express their views independently, as well as dedicate time and attention to the company as needed.
- Independent Directors are expected to regularly hold meetings among themselves, and try in every way possible to look for opportunities in which they can discuss business management issues with the top executives.
- Independent Directors are expected to submit a confirmation letter to the company verifying their independence in accordance with the company's definition; on the date they accept the appointment and every subsequent year if required.
- There should be specific terms given to Independent Directors, and no Director must stay on beyond a certain time limit. Nonetheless, the difficulties of searching an appropriate replacement and the benefits of the working relationship built up over the years within the Independent Directors and their understanding of the business must also be taken into account. Accordingly, at present no time limit has been set up for the Independent Directors apart from the statutory limits placed under applicable law.

The duties and responsibilities of the Board of Directors are as follows

- The Board of Directors performs its duties in conformity with applicable laws, and carries on the business of the Company in accordance with the laws, the Company's objectives and the articles of association as well as the resolutions of the shareholders' meetings. The Board of Directors is authorized to carry out the Company's activities as prescribed in the memorandum or those related thereto under the Public Limited Companies Act B.E. 2535. The Board of Directors is responsible to the Company's shareholders. Each Director represents all shareholders and takes part in supervisory and regulatory functions in the Company's operations, in an independent and impartial manner, for the benefit of all shareholders and other stakeholders.
- The Directors, in their business conduct, are expected to generally act with care to preserve the interest of the Company.
- The quorum for the Board of Directors meeting is at least two-thirds of Board size.
- The Board of Directors or the shareholders at their meeting is entitled to designate the authorized Directors to bind the Company and accordingly, any two (2) of the following with the Company's seal are the present authorized signatories:
 - 1) Mr. Khalid Moinuddin Hashim
 - 2) Mr. Kirit Shah
 - 3) Mr. Ishaan Shah
 - 4) Mr. Gautam Khurana
- The Board of Directors is inter alia authorized to sell or mortgage any of the Company's immovable properties, to let any of the Company's immovable properties for the period more than three (3) years, to make a gift, to compromise, to file complaints to the court and to submit the dispute to the arbitration.

- Annually review and approve the vision and mission statement, core values and code of business conduct.
- Review and discuss management's proposed strategies and options and approve major decisions in respect of the Company's business direction and policies. The Board of Directors also reviews and approves the business and performance goals proposed by the top executives.
- Monitor the implementation of the Company's strategies including monitoring the Company's performance and progress toward achieving set objectives as well as compliance with the laws, regulations and related policies.
- Ensure the existence of an effective internal control system and appropriate risk management framework.
- Ensure the establishment and communication of policy and programme relating to anti-corruption.
- Ensure an effective audit system executed by both internal and external auditors.
- Approve quarterly and annual financial reports to ensure that the reports are prepared under generally accepted applicable accounting standards.
- Ensure that the Company has a proper system in place to communicate effectively with all stakeholders and the public.
- Define policy and guidelines for risk management and monitor the management to ensure the efficiency of risk management system.
- Define policy and guidelines for good corporate governance and ensure that the duties and responsibilities of Directors and the management comply with corporate governance principles.
- Define policy and guidelines to implement corporate social responsibility.

The Chairman of the Board of Directors and the Managing Director

The Chairman of the Board of Directors is an independent director and has no relationship with the management, as defined by the Stock Exchange of Thailand. The Chairman is not the same person as the Managing Director of the Company nor is he related in any way to the Managing Director of the Company in order to segregate the duties between the policymaker and the policy manager.

The Chairman of the Board is the leader of the Board, and has duties as the Chairman of both board and shareholders' meetings. His role includes promoting corporate governance and compliance, and ensuring its effectiveness. He engages directly with the Managing Director to monitor performance and oversees the implementation of the Company strategies.

The Managing Director is the head and leader of the Company's executives and is responsible to the Board for managing the Company in order to achieve all planned objectives.

The roles and duties of the Chairman of the Board of Directors

- Provides leadership to the Board of Directors;
- Presides over the Board of Directors meetings, Non-Executive Directors meetings and shareholders meetings;
- Facilitates open and constructive communication between members of the Board and encourages their contribution to Board deliberations;
- Promotes the highest standards of corporate governance, ethics and corporate social responsibilities;
- Consult with the Managing Director and Company secretary to arrange the schedule and agendas of the Board of Directors' meetings;
- Ensure that the Company has effective communication with its shareholders and relevant stakeholders.

The roles and duties of Managing Director

- The day-to-day management of the Company and its business is the responsibility of the Managing Director, supported by the management team;
- Develops and recommends the Company's vision, mission, strategy, and business plan for the Board's approval;
- Manages the Company in accordance with strategy, business plans, and policies approved by the Board of Directors;
- Reports on the Company's operation results to the Board of Directors as well as other work in progress to achieve the Company's objectives;
- Ensures that all Directors are properly informed and that sufficient information is provided to enable the Directors to form appropriate judgments;
- Builds and maintains an effective top executive team capable of delivering the Company's strategy and objectives, and identifies and recruits new talent to ensure effective succession to top executive positions;
- Ensures communication with shareholders and relevant stakeholders;
- Undertakes any other roles and duties assigned by the Board of Directors.

Company Secretary

The Company designated the Company secretary who has duties and responsibilities in accordance with the Securities and Exchange Act and is responsible for overseeing and advising the Board and the management regarding applicable laws, rules, regulations and good corporate governance, and also responsible for holding the Board and shareholders' meetings. The additional tasks include assisting the Board to comply with resolutions and safeguard the Company's documents and information.

Board of Directors' Meetings

- The Board of Directors meetings for the coming year are scheduled and informed the Board members in advance by the end of each year.
- For each meeting, throughout the year, an agenda is clearly predetermined by both, the Chairman of the Board of Directors and Managing Director.
- The Company secretary sends the notice of the meeting and relevant documents to all Directors at least seven (7) days prior to the meeting date, so as to allow sufficient time for them to review the information before joining the meeting.
- All Directors devote their time and attention to the Company's business and are prepared to attend meetings regularly.
- The Chairman of the Board of Directors ensures that the Board has adequate time for the management's information presentation, including their deliberation, questions and debate of significant issues.
- The Board of Directors has established a guideline to prohibit a director/executive, who has a conflict of interest on any issue, to participate in its decision-making process pertaining to the same. Normally a director/executive, who has a conflict of interest on an issue, will leave the meeting and join back once the issue has been discussed and a decision is made.
- In every meeting, the minutes of the meeting are recorded, reviewed and adopted by the Board of Directors. The minutes of the meeting are kept with the Company secretary for ready reference and review by other concerned parties.

- The Non-Executive Directors hold meetings among themselves for discussing the business management issues and performance of the Executive Directors and are expected to notify the Managing Director of the meeting outcomes.

Board's and Sub-Committees' Self-Assessment

The Board and its sub-committees shall perform an annual self-assessment to be used as a framework for reviewing their performance. The result will be reported to the Board by the Company secretary and disclosed in **Corporate Governance Report** section in the annual report.

Director and Management Development

The Board of Directors continues to try and enhance their value by participation in activities, courses and events which add to their knowledge base in the continually changing business environment to ensure that they are updated and possess full knowledge.

Director's orientation

If someone is newly appointed on the Board of Directors by the shareholders, the company secretary informs and provides relevant documents such as Director's handbook, the Company's corporate documents, corporate governance policy manual, business ethics and code of conduct manual, anti-corruption policy, laws, regulations and practices which are related to the trading of Company's shares.

Directors' Remuneration Criteria

- The Directors' remuneration must be agreed by Board of Directors and recommended to the shareholders for their approval.
- The Directors' remuneration shall be a fixed amount per annum.
- Depending on the quantity and scope of the subcommittee's roles and responsibilities, only a member who is not an executive director of any subcommittee may receive additional compensation, subject to the shareholders' approval.
- The remuneration criterion shall include consideration of financial status and performance of the Company and in accordance with international standards and comparable with other listed companies in general and should also be comparable with listed companies in the same sector in Thailand and abroad.

Nomination, Selection, Appointment and Re-election of Directors

Directors' Nomination Criteria

The Company recognises that diversity at the Board level is an essential element in supporting the attainment of its strategic objectives and its sustainable development. All Board appointments are based on meritocracy, and candidates are considered against appropriate criteria which are as follows;

- Consideration is based on a range of diversity perspectives, including gender, age and educational background, skills, knowledge, professional experience, and devotion of potential candidates expected to add value to the Board.
- Consideration of the qualities of leadership, vision, ethics, and honesty to uphold the highest principles of good corporate governance.
- The candidate should not be a person blacklisted by any organization (including the SEC) or convicted of any crime.
- The candidate as an Independent Director must be qualified in accordance with the independent director's qualification.
- Consider other qualifications as may be advisable.

Procedure for selection and appointment of new directors

The procedure when selecting and appointing new directors varies depending upon the circumstances of the Company at the particular time. In general, when the Board of Directors intends to appoint a new director (as a vacancy occurs or as an additional member on the Board), the following procedure is followed in selecting and appointing a new director to the Board of Directors:

- The Nomination Committee evaluates the range of skills, experience, expertise and diversity of the existing Directors, and identifies other appropriate qualifications giving consideration in line with the Company's strategic direction, and gaps which need to be filled. Consideration is given to the balance of independent Directors on the Board and the best practice recommendations as set out in the SET corporate governance principles.
- For seeking suitable candidates, the Nomination Committee may utilize the personal network of the Board members and top executives of the Company and may consider the proposals from the shareholders or may engage an external search firm or may use director pool information from the Thai Institute of Directors (IOD).
- The Nomination Committee screens the Director candidates, and then interviews each interested preferred candidate to identify those individuals who best fit the target candidate profile. Once the Nomination Committee has identified an appropriate candidate for the Board to consider, it may also arrange the Board members to meet with the candidate.
- The Nomination Committee submits its recommendations to the Board of Directors, which is proposed for the shareholders' approval at the shareholders' meeting or which is proposed for the Board's approval as a temporary replacement if a director resigns during his or her term in office and a casual vacancy is created.

Procedure for re-election of Directors who retire by rotation

In accordance with Section 71 of the Public Limited Companies Act B.E. 2535 and Article No.17 of the Articles of Association of the Company, at every annual general meeting, at least one-third of the Directors, or, if their number is not a multiple of three, then the number nearest to one-third, must retire from office. In every subsequent year, the Director who has been longest in office shall retire. A retiring Director is eligible for re-election. The following procedure is followed for re-election of a director who retires by rotation:

- The Nomination Committee considers the past performance of the retiring directors e.g. attendance, participation in meetings and other contributions to the activities undertaken by the Board of Directors.
- After reviewing, the Nomination Committee submits its recommendations to the Board of Directors, which is proposed for the shareholders' approval at the shareholders' meeting.

Policy on Succession Plan

The Board of Directors shall ensure a systematic nomination for the proper candidate to replace a Director or top executive position suitably in line with the succession planning policy. The Nomination Committee is appointed to propose the appointments of new Directors and key executives (Managing Directors and Executive Directors) to the Board by considering the proper candidate both from internal and external candidates. The Nomination Committee is responsible for considering candidates' skills, experience, and specific qualifications for the best interest of the Company.

Criteria to nominate/appoint Top Executives including the Managing Director

The Nomination Committee considers the following criteria below when determining whether to nominate/appoint a top executive, including the Managing Director

- Skills, knowledge, relevant qualification, and professional experience in business operations.
- Leadership potential, integrity, and vision.
- Specific requirements for the position of Managing Director: substantial experience in related industries, and international trade as well as industries knowledge.
- No blacklisting by any organization (including the SEC) or criminal conviction.
- After review, the Nomination Committee submits its recommendations to the Board of Directors for consideration and approval.

Procedure for nominating/appointing Top Executives including the Managing Director

The Company follows the following procedure when selecting and appointing new top executives including the Managing Director:

- The Nomination Committee identifies the qualifications, skills, knowledge, experience, and expertise of candidates for any top executive position that the Company needs which should be in line with the Company's strategic direction.
- The Nomination Committee screens profiles of the applicants, interviews them, and shortlists the preferred candidates who fit the criteria. The Nomination Committee then proposes such suitable candidate for the Board's consideration by way of submitting its recommendations to the Board.
- The Board may interview such candidate as the Board deems fit before the Board concludes its decision.

5.2.2 The Executive Board of Directors

The Executive Board of Directors consists of three (3) Directors and is appointed by the Board of Directors.

Qualification of Executive Directors

- Qualified according to the Public Limited Companies Act, Securities and Exchange Act including other relevant laws and regulations and in accordance with the good corporate governance policy of the Company.
- Knowledgeable, possess good background experience, capable, independent to perform director's duties with care and loyalty, and able to attend Directors' meetings regularly.
- Having knowledge in respective field of appointment as part of top executives.
- Not holding board positions in more than three (3) listed companies (including the Company).
- Not holding any position or involved in any competing maritime business.
- Completed the Thai IOD Director's Certification Program Course.
- Age not more than 70 years unless specifically extended.

The duties and responsibilities of the Executive Board of Directors are summarized hereunder

- To manage the Company's business under the resolutions / regulations of the Board of Directors.
- To execute any agreements / contracts binding the Company the terms and conditions of which must be in their scope of authority vested by the Board of Directors. Such agreements/ contracts must be affixed with signatures of any two (2) Executive Directors together with the Company's seal.
- To generally act on behalf and in the interest of the Company and its subsidiaries as may be required to carry on the business.

- The Executive Board of Directors shall report on the business operations conducted by the Executive Board to the Board of Directors for acknowledgement and discussions. However, policy-related issues, or issues likely to have significant and major impact on the Company's business, or issues requiring action by the Board of Directors in compliance with laws, or the Company's Articles of Association, must be approved by the Board of Directors. This also includes issues for which the Executive Board of Directors considers it appropriate to seek the approval of the Board of Directors on a case-by-case basis, or per the criteria designated by the Board of Directors.
- Prepare and review strategic objectives, financial plans and key policies of the Company, to be submitted to the Board of Directors for approval.
- Review management authority in various aspects stipulated in the approval authority hierarchy, to be submitted for approval to the Board of Directors.
- Appoint, monitor and evaluate the performance of employees from the level of department head down to middle managers.
- Monitor and report on the Company's operating results to the Board of Directors as well as on other work in progress to achieve the Company's objectives.
- Communicate with external stakeholders, per designated authority, and as deemed appropriate.
- Prepare and review policy and guidelines for risk management and monitor the management to ensure the efficiency of risk management system.
- Prepare and review policy and guidelines for good corporate governance and guidelines to implement corporate social responsibility.
- Develop and implement anti-corruption systems, as well as encourage employees at all levels and related parties to follow the anti-corruption policy in order to create an anti-corruption culture.

5.2.3 The Audit and Corporate Governance Committee

The Audit and Corporate Governance Committee was appointed by Board of Directors with the objective of having a mechanism to assist the Board independently in accordance with the regulations and the recommendations in respect of good corporate governance, to give opinion of company's financial report's correctness, credibility and transparency, to encourage the good corporate governance including coordination with the Board of Directors for risk management and internal control systems in the Company. This is expected to create efficiencies in operations and also provide for an independent check on the functioning of the management of the Company including checks on conflict of interest issues and connected party transactions, if any.

Composition of Audit and Corporate Governance Committee

- There must be at least three (3) persons in the Committee.
- The Company's Chairman is not the Chairman of the Committee nor a member.
- A secretary may be appointed by the Audit and Corporate Governance Committee to assist the Audit Corporate Governance Committee. Accordingly, the Company secretary is also presently acting as the Audit and Corporate Governance Committee secretary.
- The tenure of each member of the Audit and Corporate Governance Committee would be co-terminus/reappointment with their tenure on the Board of Directors of the Company.

Qualifications of Audit and Corporate Governance Committee Members

- Must be appointed by the Board of Directors or by the shareholders in a shareholders meeting.
- All the members must be independent directors.

- Not a Board member of parent company or subsidiary company which is also a listed company.
- Not holding shares exceeding 0.5 percent of the total number of shares issued by the Company or its affiliates or associates or any other related companies, including shares held by a related person.
- Be free of any past (for a period of 2 years) or present, direct or indirect, financial or other interest in the management and business of the listed company, its subsidiaries and associated companies, and also that of the listed company's substantial shareholders.
- Not related to or a close relative of any management, or major shareholder of the listed company.
- Not a Board member assigned to make decisions on business operations in the listed company, its parent company, subsidiaries, or associated companies, or in a juristic person with possible conflicts of interest.
- Be able to freely perform and give opinions, or report the result of the duties assigned by the Board of Directors without being controlled by the management or major shareholders or any other related persons.
- Having duties and responsibilities in accordance with the rules and regulations of the SET.
- At least one (1) committee member must have knowledge, understanding, or experience in accounting or finance fields.

The duties and responsibilities of the Audit and Corporate Governance Committee are summarized hereunder

- To review the Company's financial reporting process to ensure accuracy with adequate and complete disclosure.
- To ensure that the Company has an appropriate and efficient internal control system subject to internal audit and to also ensure that there is an efficient internal audit system in place and to ensure the independence of internal audit department, including approval of the selection, promotion, rotation or termination process of the internal audit head.
- Review risk management system of the Company and recommend improvements on a regular basis.
- Review guidelines for the Company's corporate governance as compared with those of international organizations and present its recommendations to the Board of Directors.
- To review the performance of the Company to ensure compliance with the securities and exchange law, regulations of the Exchange, and other laws relating to the business of the Company.
- To select and nominate for the shareholders' approval or discharge, the external auditor of the Company, including recommendation of remuneration of the external auditor after considering the independence of the external auditor and to freely discuss significant matters, the Audit and Corporate Governance Committee shall meet privately with the external auditor at least once a year, without the management team being present.
- To review connected party transactions that may lead to conflict of interest to comply with all related rules and to ensure the transactions are reasonable and for the full benefit of the Company and to ensure accurate and complete disclosure of the same.
- To oversee the anti-corruption policy and annually review the Company's anti-corruption procedures to ensure the effective compliance with the guidelines of the Collective Action Coalition Against Corruption (CAC).

- To review the Company's compliance with its whistleblowing policy and procedures for reporting and investigation of misconduct and/or fraud and consider all instances (if any) of misconduct or fraud and the final investigation report.
- To prepare a report on the monitoring activities of the Audit and Corporate Governance Committee, in accordance with the required details per SET regulations and disclose it in the annual report, such report to be signed by the Chairman of the Audit and Corporate Governance Committee.
- To perform any other acts as delegated by the Board of Directors and accepted by the Audit and Corporate Governance Committee.

5.2.4 The Sustainability and Risk Management Committee

The Board of Directors has appointed a Sustainability and Risk Management Committee to assist the Board of Directors in fulfilling its responsibility for oversight of sustainability and corporate social responsibility policies, strategies, and programs of the Company, prescribing risk management policies that cover the entire organization and ensuring that risk management procedures or systems are in place to appropriately mitigate the impact of the risks on the businesses of the Company. The composition, authority, duties, and responsibilities of the Sustainability and Risk Management Committee are prescribed to ensure their efficient performance as assigned by the Board of Directors.

Composition of Sustainability and Risk Management Committee

- There must be at least three (3) Directors in the Committee.
- The Company's Chairman must be neither the Chairman nor a member of the Committee.
- A secretary may be appointed by the Sustainability and Risk Management Committee to assist the Sustainability and Risk Management Committee. Accordingly, the internal auditor is also presently acting as the Sustainability and Risk Management Committee secretary.
- The tenure of each member of the Sustainability and Risk Management Committee would be co-terminus/reappointment with their tenure on the Board of Directors of the Company.

Qualifications of Sustainability and Risk Management Committee Members

- Must be appointed by the Board of Directors.
- At least one (1) member must be an independent director.

Meeting

- The Sustainability and Risk Management Committee plans to hold a meeting at least four (4) times a year.

The duties and responsibilities of the Sustainability and Risk Management Committee

The Sustainability and Risk Management Committee is responsible for duties assigned by the Board of Directors as follows:

- Establish a sustainability policy framework according to the Company's operations to ensure alignment between the management and the Board on the Company's sustainability goals and strategy.
- Review and update the sustainability policy of the Company.
- Monitor the Company's performance related to sustainable development to increase efficiency and balance while creating the most value to the Company and stakeholders.
- Prescribe risk management policy, framework and procedures to cover the entire organization.
- Identify the various risks that the Company is exposed to in the business environment.

- Suggest measures for the appropriate and efficient management of the risks associated with and identified by the Company.
- Oversee the risk management process to ensure that both external and internal factors which may impede the achievement of Company objectives are considered during risk identification, the impact and likelihood properly assessed, risks properly prioritized, and appropriate risk mitigation methods identified.
- Annually review the risk management policies and procedures.
- Follow up on and evaluate the performance in accordance with the organization-wide risk management framework, including recommendation of a framework for internal controls.
- Report the Company's major risks, status, progress of measures taken to mitigate these risks, and performance to the Board of Directors.
- Communicate, collaborate, and share information with Audit and Corporate Governance Committee on risk management and internal control.
- Perform any other acts as delegated by the Board of Directors.

5.2.5 The Remuneration Committee

The Remuneration Committee has been appointed by the Board of Directors as a mechanism to assist the Board in independently proposing the criteria of and setting guidelines for the remuneration of Directors and top executives and to propose the remuneration the Board of Directors who will then act (accept fully, partially or reject totally) act in accordance with the regulations and good governance practices based on the proposals made by the Remuneration Committee. The Board of Directors are not empowered to fix the remuneration of the Directors but is required to place their recommendations on the same to the shareholders for their approval.

Composition of Remuneration Committee

- There shall be at least three (3) Directors as members on the Remuneration Committee.
- The majority of the Committee shall always be comprised of independent directors.
- The Chairman of the Committee shall always be an independent director.
- The members of Remuneration Committee who do not fall in (2) and (3) above shall be Non-Executive Directors.
- The Company's Chairman shall not be the Chairman of the Committee nor a member.
- The tenure of each member of the Remuneration Committee would be co-terminus/ reappointment with their tenure on the Board of Directors of the Company.

Qualifications of Remuneration Committee Members

- They must not hold shares exceeding 0.5 percent of paid-up capital of the listed company or of an affiliated or an associated company.
- They must not be involved in the day-to-day management of the Company or an affiliated company or an associated company.
- They must be free of any present, direct or indirect, financial or other interest in the management and business of the Company, its subsidiaries, or associated companies.
- They must not be a relative of any management of the Company or its subsidiaries or associates.
- They must not be acting as a nominee or representative of any management of the Company.
- They must be able to carry out their duties, exercise their judgment, and report the committee's performances, which are assigned by the Board of Directors without being influenced by management of the Company or its subsidiaries or associates.

The duties and responsibilities of the Remuneration Committee are summarized hereunder:

The Remuneration Committee is responsible for duties assigned by the Board of Directors as follows:

- Set out compensation guidelines for Directors and top executives and propose the same to the Board of Directors.
- Propose the Directors' remuneration for the Board to make its recommendations and express its opinion for approval in shareholders' meeting.
- Update the Board of Directors about compensation norms being followed by companies in Thailand and abroad.
- Other specific jobs assigned by the Board of Directors.

5.2.6 The Nomination Committee

The Nomination Committee has been appointed by the Board of Directors in order to set up a mechanism to assist the Board to independently propose the criteria and set guidelines for nomination of new Directors and recruitment and selection of top executives, and thereafter propose to the Board of Directors who could then consider the proposal and decide to accept or reject the same or amend it for further approval by shareholders if required (for the appointment of Directors).

Composition of Nomination Committee

- All the members of the Committee are independent directors.
- The Chairman of Committee is an independent director.
- The Company's Chairman is not the Chairman of the Committee nor a member.
- The tenure of each member of the Nomination Committee would be co-terminus/ reappointment with their tenure on the Board of Directors of the Company.

Qualifications of Nomination Committee Members

- The Qualifications are exactly similarly to that of the independent directors.

The duties and responsibilities of the Nomination Committee are summarized hereunder

- Set out selection and nomination guidelines of appropriate persons and propose the same to the Board of Directors.
- Review the Board structure and propose a succession plan for Directors and top executives.
- Propose to the Board, names of potential candidates for appointment as Directors.
- If requested by the Board of Directors, assist in the process of review of performance of Directors.
- Prepare specific reports on latest trends and practices in the appointment of the Directors and top executives for consideration by the Board of Directors.
- Other jobs assigned by the Board of Directors.

6. Supervision of subsidiaries and associated companies

This corporate governance policy, the business ethics and code of conduct as well as other company policies govern not only the Company, but also extend to its subsidiaries and associated companies¹ (where applicable) so as to ensure that all business operating entities of the Company, irrespective of their business locations, comply with these policies uniformly. In addition, the Company shall at all times, ensure that all the

subsidiaries' and associated companies¹ are in compliance with applicable laws and regulations. The Board has set up the following mechanism in order to supervise and monitor corporate governance of the Company's subsidiaries and associated companies¹.

- The Company shall nominate directors in each subsidiary as appropriate for the business operations of such subsidiary and the governing laws and regulations. For associated companies¹, director appointment shall be as per an investment agreement (if any).
- The Board of Directors considers proposed candidates for Executive Directors on the Executive Board of Directors of the Company. The Executive Directors are generally appointed as directors in the Company's subsidiaries. However, the number of directors in each subsidiary depends on business requirements and governing laws.
- Directors of the subsidiaries perform their duties in conformity with applicable laws and ensure that the business of the subsidiaries operate in accordance with applicable laws. The Directors, in their business conduct, are expected to generally act with care to preserve the interest of the Company.
- Financial performance of the subsidiaries shall also be reported to and considered by the Company's Board of Directors on a regular basis.
- The Executive Directors shall ensure that the Company and its subsidiaries comply with the disclosure requirements of the SET and the SEC. They shall also ensure that all material information is disclosed in a timely and accurate manner.
- The internal control systems and policies of the Company shall extend to its subsidiaries. The internal audit department will monitor the implementation of these policies and procedures at the subsidiaries and report any issues to the Audit and Corporate Governance Committee. The Committee will then review the findings and take appropriate action to address any issues identified.

¹ "associated company" means:

- (a) a company whose shares are held by the parent company or the subsidiary company in an aggregate number of more than twenty percent but not exceeding fifty percent of the total number of shares with voting rights of the company being held;
- (b) a company in which the parent company or the subsidiary company has power to participate in making decisions on financial policies and operational matters of the company but not insomuch as to have control over such policies and not deemed as subsidiary company or joint venture.

7. Controlling Systems and Risk Management Policy

The Board of Directors recognizes the importance of risk management and is responsible directly on risk management of the organization with the objectives to support the work performance of the management of the Company to be efficient and to achieve the goals, that the organization may have to face under business uncertainties that may affect the goals or objectives of the Company.

The Board of Directors has specified policy and framework for risk management concerning all aspects and cover business risk factors by determining guidelines within the Company by considering the probability and the likely impact of such a risk on the business and also determine preventive and mitigation measures, reporting structures, monitoring procedures and processes and assessment with steps laid down for regular follow up including the focus on early warning signs. Currently, the Company has classified the various risk factors into 4 categories as follows:

1. Operating Risk
2. Financial Risk
3. Market Risk
4. Capacity replacement and Expansion Risk

The Company has disclosed and explained significant risk factors in the annual report.

The Board of Directors assigned the Audit and Corporate Governance Committee to be responsible for reviewing internal control systems and internal audit to ensure the effectiveness of the work which internal audit department conducts to evaluate the risk and control activities in the operations within the organization including the review of the financial statements and risk management information to the Audit and Corporate Committee every quarter.

The Board of Directors has appointed a Sustainability and Risk Management Committee to prescribe risk management policies that cover the entire organization and to ensure that risk management procedures or systems are in place to appropriately mitigate the impact of the risks on the business of the Company.

8. Business Ethics

It is the collective responsibility of the entire Board of Directors to provide and comply with a code of conduct which ensures that all the Company's activities are conducted legally according to applicable laws and in keeping with good moral principles and the Directors and employees must be made aware of the code of conduct. The code of conduct should be continuously monitored with a view to maintaining the changing expectations of the Company and its shareholders and is disclosed in detail in the business ethics and code of conduct manual of the Company.

Enclosure 4 - BUSINESS ETHICS AND CODE OF CONDUCT MANUAL

MESSAGE FROM THE BOARD OF DIRECTORS ON BUSINESS ETHICS AND CODE OF CONDUCT MANUAL

To all Directors, Executives and Employees:

The Company is committed to conducting business on the basis of morality and to create added value to its shareholders and also to put unwavering efforts to ensure that all stakeholders are fairly treated. Therefore, the Company has set up a business ethics and code of conduct manual to commit to the key principles of integrity, ethical business conduct and accountability for Directors, management, and employees as a guideline to carry out their respective work for the Company in a transparent, honest, faithful and justifiable manner.

With the business environment evolving constantly, we assess our business ethics and code of conduct on a regular basis to ensure that it reflects global best practices and meets the expectations of all stakeholders.

The Company has clearly announced that it is the duty and responsibility of all Directors, management, and employees to faithfully follow the business ethics and comply with the policies and practices stated in this code of conduct. The Company's ultimate goal is to achieve its business objectives for the benefit of all stakeholders including the shareholders and the society.

**For and on behalf of the Board of Directors of
Precious Shipping Public Company Limited**



Mr. Chaipatr Srivisarvacha

Chairman of the Board of Directors



Mr. Khalid Moinuddin Hashim

Managing Director

Precious Shipping Public Company Limited and Its Subsidiaries (“The Company”) Business Ethics and Code of Conduct

Definitions

Business Ethics are the qualities of virtue, truth, justice and righteousness that business conduct should follow.

Code of Conduct is a code of behavior to be followed to maintain and promote dignity and reputation.

Our Principles

We are committed to:

- **Honesty**
Company management should be truthful to people involved. They should not intentionally mislead or deceive others by distorting information, exaggerating or giving partial truth. Nor should they discriminate against people by doing or abstaining from doing something required to be done.
- **Integrity**
Company management should exhibit their personal integrity and courage to uphold their convictions by doing things they perceive as right despite pressures favoring the opposite. They should be respectable, impartial, and committed to their principles. They should fight for their beliefs and never compromise their principles for any objective that would turn them into deceivers or immoral persons.
- **Trust worthiness**
Management should disclose and provide related information, as well as correct any misunderstanding on facts. They should try in every proper way to fulfill their promises. They should not abuse technical or legal interpretation as an excuse not to cooperate or comply with contractual obligations.
- **Loyalty**
Our management should exhibit their loyalty to the company by dedicating themselves to their respective duties and to its people by providing support and assistance whenever required. They should not use or disclose confidential information for personal advantage. On the contrary, they should maintain the ability to make decisions independently as professionals, avoiding inappropriate conduct and conflict of interest, as well as being faithful to the company and their colleagues. If the management intend to leave and work somewhere else, they should notify appropriately in advance and treat the company information as important and confidential. They should not exploit their former positions for their own benefit.
- **Fairness**
All management should be fair and just towards all people. They should not use their power deliberately, neither should they resort to cheating or inappropriate tactics to obtain or maintain benefits or advantages from misled or distressed people. Fair-minded management should disclose the agreements set for consideration and treat everyone equally, be open to disagreeable opinions, willing to admit the mistakes they make, and ready to shift positions and beliefs to appropriate and correct ones, if the situation demands.
- **Concern for others**
Our management should be considerate, sympathetic, kind, and well intentioned to others. As the golden rule says, “Treat others the way you want to be treated”, management should provide the help that people need. They should also pursue proper means to achieving business objectives in a way that the business objectives are aligned with the objectives and interests of people.

- **Respect for Human Rights Principles**

Company management should mutually respect each other's honor, freedom, privacy, legal and human rights, as well as the interests of stakeholders. In making their decisions, management should be gentle and treat everyone as equal without discrimination by gender, class, or race.

All directors, the management and employees strictly respect human rights laws including those that relate to forced labor or child labor. The Company does not tolerate any violations thereof. All stakeholders are treated fairly and in a dignified manner, without any discrimination on the basis of national origin, race, gender, age, skin color, religion, physical condition, status, or birth. The Company also promotes the monitoring of human rights compliance within the Company and encourages business partners, suppliers, and other relevant parties in the supply chain of the Company and its controlled entities in Thailand and overseas to conduct business in a manner that respects human rights.

- **Commitment to Excellence**

Management should excel in their performance, i.e., should be equipped with knowledge, be prepared, and should work hard to enhance knowledge and skills to cope with every issue under one's responsibilities.

- **Leadership**

All management should be aware of their own responsibilities and leadership requirements and should seek and comply with code of conduct models that would benefit themselves and the organization when put to work. They should also attempt to create an environment in which principles and ethical decision-making are given utmost importance.

- **Reputation and Morale**

Senior management should create and defend company's reputation, as well as employees' morale, by singly and collectively avoiding any action that would hurt the inter-relation between the company and employees. On the other hand, all employees must singly and collectively do everything necessary to correct and prevent any wrongdoing committed by others.

- **Accountability**

Management should be aware of, and accountable in following ethics when making any decision and omission for the company, themselves, their colleagues, and the community.

Business Ethics

1. Policy on Compliance with the Law and Relevant Rules and Regulations

The Company is committed to complying with all relevant laws, rules and regulations everywhere it operates and has established the policies as follows:

- Directors, management and employees must comply with local laws, rules, regulations as well as customs and traditions of the country in which the Company operates.
- Directors, management and employees must comply with the announcements and stipulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).
- Directors, management and employees must comply with the Company's rules and regulations.
- Directors, management and employees must not assist, support or conspire to avoid any legal or regulatory compliance.
- Directors, management and employees must cooperate with supervisory agencies as well as report information on violation of or non-compliance with existing laws or regulations to concerned persons.

2. Policy on Conflict of Interests

The Company has set up an important policy concerning the conflict of interests and related transactions for Directors, management and employees as laid down under the following guidelines:

- Avoid any transaction related to oneself, which may lead to a conflict of interest with the Company.
- If it is necessary to carry out such transaction for the Company's benefit, conduct it as if it is a transaction done with a third party. However, any such transaction must be fully disclosed and approved by the relevant authority within the Company in advance. Furthermore, Directors and management or employees having an interest in a transaction must not be involved in its approval process.
- If a transaction is considered as a related party transaction under the SET notification, Director, management, and employees must strictly comply with the rules and procedures regarding information disclosure by listed companies for such transactions.
- If a Director, management, employees or a member of their family is involved with or becomes a shareholder in a business in competition with the Company or any other business that may cause a conflict of interest with the Company, he/she must inform the Board in writing.
- If a Director, management, and employees becomes a Director, partner, advisor or participant in any other capacity in another company or business organization, such position must not conflict with the Company's business or that person's direct responsibilities in the Company.

3. Policy on Confidentiality of Information

The Company has set up an important policy concerning the use of information of the Company in compliance with good corporate governance and relevant regulations. The Company has advised the Directors, management and employees to focus on confidential information especially internal information not yet disclosed to public or any data or information that may affect the business of the Company or its share price. The guidelines are as follows:

- Directors, management and employees must not use information they receive from their directorships or employment for personal benefit or for conducting business or other activities in competition with the Company.
- Directors, management, and employees must not use information which is not generally known and which may influence the share price (inside information) and must refrain from dealing in the shares of the Company at sensitive times pending major announcements in accordance with the specific policy laid down from time to time specifying the moratorium on share trading during certain periods. Inside information shall also not be given to any third party for the purpose of dealing in the shares of the Company.
- Directors, management, and employees must not disclose business secrets to any third party especially to competitors even after a Director, management or employee has left the Company.

4. Policy on safeguarding Company Property

The Company expects management and employees to utilise the Company's resources and assets in a most efficient manner, to increase corporate competitiveness and to provide the best possible service to its customers in accordance with the following guidelines:

4.1 Protection of the Company's properties and assets

- Management and employees should use the Company's resources and assets in a cost-efficient manner for maximum benefit of the Company.
- Management and employees should help protect the Company's properties and assets from improper depreciation or loss.
- Provide and follow proper preventive systems and procedures and effectively insure the same against any fire, natural calamities, burglary and other risk or damage.

4.2 Documentation

- Management and employees are to prepare documents with honesty and prudence while meeting stipulated standards.
- Management and employees are prohibited from falsifying the Company's letters, reports or documents.

5. Policy on Information Technology Security

- All computer, information technology and information and data relating to its operation are the property of the Company. Management and employees should not use the Company's computers and information technology for personal interests.
- Management and employees are prohibited from disclosure to others of their password for access to the Company's information system.
- Management and employees are prohibited from disclosure of any information or data in the Company's information system to other parties without proper authorization.
- Management and employees are prohibited from changing, copying, deleting or destroying the Company's information or data without proper authorization.
- Management and employees are prohibited from using illegal software for any reason and from using copyright protected software without the permission of the copyright owner.
- Management and employees are prohibited from using the Company's electronic mail system to transmit derogatory, offensive, pornographic, abusive or annoying messages.
- Management and employees may only use the internet to seek information and knowledge related to their work and shall not access illegal or immoral websites.
- Employees should use all communication equipment such as telephones, facsimile machines and mobile phones provided by the Company, with appropriate sense of responsibility and care, taking the Company's interests into consideration.

6. Cyber Security Management

Cyber security enables confidentiality, integrity and availability of information by providing protection against malicious and accidental threats. Cyber security threats take advantage of weaknesses in technology, people and processes and cause harm to the Company. All employees have a role to prevent any cyber security risk. The guidelines that govern cyber security measures are as follows:

- **Identify threats**

Identify and understand the external cyber threats and the internal cyber security threats posed by inappropriate use and lack of awareness.

- **Identify Vulnerabilities**

Develop inventories of systems with direct and indirect communication links. Understand the consequences of a cyber security threat on these systems. Understand the capabilities and the limitations of existing protection measures.

- **Assess Risk Exposure**

Determine the likelihood of vulnerabilities being exploited by internal threats. Additionally, determine the likelihood of vulnerabilities being exposed by inappropriate use of systems and equipment. Determine the security and safety impact of any individual or combination of vulnerabilities being exploited.

- **Develop Protection and Detection measures**

Reduce the likelihood of vulnerabilities being exploited through protection measures. Reduce the potential impact of a vulnerability being exploited.

- **Establish Contingency Plans**

Develop a response plan to reduce the impact of threats that are realized on the safety and security of the ship and the Company.

- **Respond to Cyber Security Incidents**

Respond to any incident which is recognized as a potential cyber security threat. Assess level and potential impact of the threat and take suitable action using the response plan.

- **Awareness Training**

Awareness training of employees at all levels through regular events such as seminars, webinars, phishing campaigns, platform-based training etc.

7. Ethics for Intellectual Property Rights

The Company requires that all of its directors, management, and employees respect the intellectual property rights of others with care and caution, whether in trademarks, patents, copyrights, classified commercial information, or other stipulated categories of intellectual property. The guidelines are as follows:

- Directors, management, and employees must protect the Company's intellectual property from infringement, disclosure, reproduction, modification or any other similar actions.
- Directors, management, and employees must respect and avoid violating the intellectual property rights of others.
- Employees are obliged to report to their respective superiors as and when they observe any actions that they believe to be, or will lead to, a violation of or conflict over the intellectual property rights.

8. Policy on preventing corruption and offering a bribe

The Company has a policy prohibiting all form of bribery or corruption, either directly or indirectly to advance its business interests or those of its associates. The Company has a zero tolerance policy for fraudulent and/or corrupt behavior and takes corruption and bribery transactions if any, very seriously. Any violation of this policy is regarded as a serious matter by the Company and will result in disciplinary action, including termination, consistent with local law.

The Company has established channels for reporting any misconduct, fraudulent act or corruption and provides protection and remedies for any person who files a complaint or cooperates in the investigation of the charge.

9. Policy on Giving and Accepting Gifts and excessive or undue Hospitality

Business decisions should never be based on gifts, benefits and/or excessive/undue hospitality received or offered through our business relationships. Selection of suppliers and business partners, and similar choices made by our customers, must be based on objective factors such as price, quality, service, and value. The Company requires Directors, management, and employees to abide by this guideline to avoid conflict of interest or the appearance of conflict of interest for either party in on-going or potential business dealings between the Company and external parties since a gift/benefit/excessive or undue hospitality can be seen as a bribe that may blemish the Company's reputation or be in violation of anti-bribery and/or corruption laws.

The following Company guidelines concerning the giving and accepting gifts and excessive or undue hospitality should be followed:

- Directors, management, and employees are strictly prohibited from demanding any gift, benefit and/or hospitality from any trading parties or other external parties with whom the Company is doing business.
- Directors, management, and employees are strictly prohibited from offering any gift, benefit and/or hospitality to any trading parties or other external parties in any attempt to persuade them to commit a fraudulent action.

- Directors, management, and employees are not allowed to give/accept any gifts, benefits, and/or excessive or undue hospitality to/from any trading parties or other external parties (including government agencies, quasi-government agencies, suppliers, banks, service providers), with whom the Company is doing business. However, if necessary, corporate gifts bearing the gift-giver's or company's corporate logo/emblem made generally (and not specifically) by the giver/company for distributing generally (and not specifically) to all or many of the giver's customers, associates, etc., and which are not related to any business commitment may be given/accepted.
- Any normal business hospitality, such as receptions, tea/coffee, meals, or other similar nature that is directly relating to business operations or trading traditions without being excessive, is excluded from this requirement but such expense should be a reasonable amount and should not be related to any business commitment.

10. Anti-Money Laundering and Counter Terrorism Financing (AML/CTF)

The Company is committed to conducting business with the highest ethical standards. This includes, to prohibit and actively prevent money-laundering or any activity that facilitates money laundering or the funding of terrorist or criminal activities. The guidelines are as follows:

- The Company will conduct business with organizations or customers who are involved in legitimate business activity and whose funds are derived from legitimate sources.
- Management and employees shall comply with any laws and regulations related to preventing money laundering and all relevant local anti-money laundering regulations.

11. Tax Policy

The Company recognizes the importance of being a responsible taxpayer and timely tax payment, representing a social responsibility that is deemed a crucial driving force toward long-term sustainable growth and sustainable value creation for all stakeholders. The Company is committed to fair tax management practices based on the principles of accuracy, transparency, and accountability. The guidelines are as follows:

- The Company ensures that its business operations are conducted in compliance with applicable tax laws and regulations in countries in which the Company operates, including obtaining eligible tax incentives to derive maximum benefits to the stakeholders.
- The Company should remit tax payment and submit all applicable tax returns within the period specified by law.
- The Company shall assess tax implications, due to any changes in tax laws and regulations, on the Company operations.
- The Company shall consider consulting tax professionals, for any complex transactions, for the best benefits of the Company's stakeholders.
- The Company shall engage in an open, transparent dialogue and ensure cooperation with tax authorities.
- The Company encourages accounting/finance staff to attend various tax training courses to ensure that they have sufficient knowledge and understanding the operation of taxation in the Company's business.

12. Anti-Trust Policy

The Company strives to conduct its business in an ethical and transparent manner. Corporate business strategies are performed based on fair trade and competition. The purpose of this policy is to promote compliance with antitrust laws applicable in countries where the Company operates.

The guidelines concerning antitrust are as follows:

- The Company shall conduct business with transparency and fairness.

- The Company shall avoid using unfair trade practices against other business partners including but not limited to imposing commercial terms and conditions that limit the prospects or trading options of business partners.
- The Company shall avoid any discussion regarding confidential information or business secrets with competitors.
- The relevant employees shall understand the antitrust policy of the Company. Since the antitrust laws in each country are varied and complex, consultation with legal counsel may be required.

13. Procurement

Procurement is to be conducted according to the company's guidelines and should be fair to all involved. The procurement decisions are to be made on the basis of reasonable prices, quality, and service, and should stand scrutiny if an investigation occurs.

The following Company guidelines concerning the procurement should be followed:

- Strictly follow the process set forth in the procurement and purchasing regulations, and act within the scope of authority provided.
- Avoid involvement in purchasing from contractors to whom you are connected, such as family members, relatives, or entities in which you have ownership or shares.
- The priority in procurement should be given to legal entities rather than individual persons, except in cases where special expertise is required from the particular individuals or where the benefit of the Company demands it.
- Avoid using the information you obtain from procurement activities for benefit of yourself or others.

14. Transactions with the Government

Transactions with the government must not be such as to persuade the government or government officials to do anything wrong or inappropriate. Mutual acknowledgment and building relations, within the proper bounds and normal practices, such as offering congratulatory messages and flowers on public occasions is acceptable.

The following Company guidelines concerning the transactions with the government should be followed:

- Conduct yourself properly and honestly when in contact with government officials or agencies.
- Always remember that the laws, rules and customs of each place may have diverse conditions, procedures, or methods of proceeding.
- Comply with the laws of each country and/or of locality in matters pertaining to hiring government employees as consultants or employees of the Company. Such hiring must be transparent and appropriate.

15. Policy on Safety, Occupational Health and Environment

The Company is committed to conducting business with the highest standards of safety, occupational health, and environmental conditions in accordance with the following general guidelines:

- The Company shall comply with all legislations and regulations relating to safety, occupational health, and environmental requirements in all locations in which the Company operates.
- The Company shall follow practices that constantly ensure that its working environment is safe for the protection of life and property of the Company and its employees.
- The Company shall encourage health and safety awareness at all levels and promotes procedures and practices that ensure environmental protection taking into account current legislation and industry codes and practices.

- The Company shall fully disclose all information regarding its operations and standards in relation to safety, occupational health, and the environment.

16. Diversity and Inclusion Policy

The Company is committed to promoting equality and combating discrimination in the workplace. The purpose of this policy is to ensure that job applicants and employees are treated with fairness and dignity at work regardless of age, gender identity or perceived gender non-conformity, marital or civil partnership status, pregnancy, maternity, political beliefs, race, nationality, ethnicity, religion, disability or sexual orientation. The guidelines to promote workplace equality, diversity and inclusion for employees are as follows:

- Recruitment and placement for every level and job classification are conducted regardless of an individual's characteristics, as described above.
- The selection criteria and process for recruitment will be regularly reviewed to ensure that there is no unjustifiably discriminatory impact to a particular group.
- Provide full and genuine access to all levels, including leadership roles for all employees where necessary, this could include affirmative action for disadvantaged groups.
- Provide equal career and development opportunities to employees based on individual qualities and personal merit.
- Decisions on promotions and transfers are based on qualifications, efforts, and performance as they relate to the requirements of the job for which the person is being considered.
- Provide all employees access to equal remuneration for work of equal or comparable value.
- Maintain gender segregated and non-segregated facilities as appropriate, and to provide sufficient physical facilities for all employees to ensure that the working environment is accessible and appropriate.
- All employees will be informed of this policy and will be provided with training appropriate to their responsibilities.
- The Company has provided an independent "whistleblower" system that employees can use anonymously and confidentially.

17. Whistleblowing Policy

To ensure fair treatment of all stakeholders under this code of conduct, the Company has set up a channel to contact the Board of Director directly (without passing through the management of the Company) for any business suggestions, complaints, or recommendations indicating impact or risks of impact on stakeholders arising from its business or from wrongful action, or violation of the code of conduct, and complaints for special cases like immoral/dishonest acts of management, breach of code of conduct, incident of harassment/discrimination, illegal acts, etc. Any employee or any other stakeholder is accordingly welcome to send a message by email or mail a letter to Mr. Chaipatr Srivisarvacha, Independent Director and Chairman of the Board of Directors, at the following address:

By mail:

Mr. Chaipatr Srivisarvacha

217/79 Crystal Garden Condominium, Soi Sukhumvit 4, Sukhumvit Road, Klongtoey Bangkok 10110
Thailand

By e-mail:

chaipatr@capmaxx.co.th

The Company has a complaint handling procedure as follows:

Procedure

- Upon receiving a complaint, Mr. Chaipatr Srivisarvacha, the designated person, will review and consult the Chairman of Audit and Corporate Governance Committee and/or any members of the Board of Directors. All relevant Directors above will decide whether an investigation is appropriate and, if so, what form it should take. They will decide to take no further action if a complaint appears to be trivial or malicious or due to vested interests of the complainant.
- Some concerns may be resolved by agreed action without the need for investigation and the necessary employees will be involved in those discussions.
- If an investigation is required, all relevant Directors above may designate an appropriate person(s) to investigate the matter.
- The designated person(s) shall address the complaints considering the seriousness of the issue raised and credibility of the concern and may, in their discretion, consult the Audit and Corporate Governance Committee, any top executive, engage outside auditors and/or legal experts who may have appropriate expertise to assist in the investigation and analysis of the results thereof.
- The designated person(s) should investigate the matter within a reasonable time frame. Investigations shall be made with the utmost respect in accordance with all relevant laws and regulations.
- If the matter is important, such as one that affects the reputation and image or financial status of the Company, or conflicts with the Company's policies for conducting business, or involves a top executive, the designated person(s) will submit the investigated result, opinion and the appropriate course of action to prevent recurrence of any unethical event, to the Audit and Corporate Governance Committee and/or the Board of Directors for consideration.
- The designated person(s) may decide how to report the progress/results of the investigation or the complaint to the complainant if his/her name is revealed.

Confidentiality

The Company recognizes that some individuals who observe a breach and wish to report it will seek to do so in confidence under this Policy. In principle, the Company will handle all reports confidentially and equally expects employees reporting a breach keeping this confidential. Confidentiality will always be maintained to the largest extent possible. Therefore, the Company will protect the identity of an employee who discloses a breach according to this policy.

The Company does however acknowledge that in some circumstances the investigation process may reach a point where the employee who reported the breach is required to make a statement or provide evidence. In such circumstances, where finding the truth would be hindered by maintaining complete confidentiality, the Company cannot guarantee complete confidentiality to the reporting employee. The Company will maintain confidentiality as much as possible in such situations. Finally, the Company will not disclose employees' identity without his/her knowledge and consent.

No Retaliation

No member of the Board, management, or employees who in good faith reports a violation of the code of conduct or reports a complaint or concern involving matters covered by this whistleblowing policy shall suffer harassment, retaliation or adverse employment consequence as a result of such a report. An employee who retaliates against someone who has reported a violation, complaint or concern in good faith is subject to discipline up to and including termination of employment.

This whistleblowing policy is intended to encourage and enable Directors, management, and employees, and others to raise concerns within the Company and to better enable the Company to promote compliance with the business ethics and code of conduct and related policies. In the event that

an employee files a complaint which such employee knows or reasonably should know to be false, such employee will be subject to disciplinary action such as termination of employment, and such employee may be held liable for damages incurred by the Company.

False Whistleblowing

Reporting that is proved to be based on a false premise, is a violation of the Company's business ethics and code of conduct and subject to punishment as per the company regulations and/or relevant law.

Code of Conduct

1. Code of Conduct for Management

- Perform duties with honesty, transparency, and fairness to ensure that the decisions and actions are made to the extent possible, in the best interests of all the stakeholders as a whole.
- Perform duties as professionals with knowledge, skill, determination, and prudence, watchful of trouble in advance; and seeking remedies for anticipated problems; and maintaining the code of conduct, including applying knowledge and skills to managing the company to the best of their abilities.
- Do not seek to benefit oneself or related persons by abusing undisclosed or confidential information inside the company or disclosing to outsiders, or doing anything that can be construed as a conflict of interest.
- Provide regular supervision and inspection, both inside the company and its environment to ensure compliance to set policies and processes.
- Provide a system of accurate, complete, timely, and consistent information reporting, as well as reporting on future trends of the company, based on probability and supported by adequate data.
- Comply with concerned laws and regulations, be observant, aware up-to-date on industrial standards and set guidelines, maintaining adequate and appropriate documents for control and maintenance operations according to guidelines applicable to every level of management to ensure efficient business operations.
- Develop the business of the company to achieve objectives and standards.
- Promote company knowledge and understanding.

2. Code of Conduct for Board of Directors

- Specify the direction, goals, policy and business strategy.
- Perform duties honestly, carefully and for the benefit of the Company.
- Comply with relevant laws, rules, regulations as well as ethics and good corporate governance practices and conduct business in accordance with the articles of the Company.
- Follow-up on corporate operations to achieve all objectives.
- Consider and appoint sub-committees and determine duties and responsibilities of the sub-committees clearly and appropriately.
- Consider the important business transactions with due care and diligence.
- Set the Board meeting and consider appropriate agenda items.
- Assess the Board's performance regularly.
- Set up succession plan for top executives of the Company.

3. Code of Conduct for Sub-Committee

- Perform duties assigned by the Board of Directors with due care and diligence.
- Perform duties honestly, carefully, and for the benefit of the Company without any conflict of interest.
- Comply with relevant laws, rules, and regulations as well as ethics and good corporate governance practices and conduct business in accordance with the articles of the Company.
- Report the performance to the Board regularly.

4. Code of Conduct for Individual Directors

- Diligently perform all duties assigned by the Board of Directors.
- Perform duties honestly, carefully and for the full benefit of the Company.
- Comply with relevant laws, rules, regulations as well as ethics and good corporate governance practices and conduct business in accordance with the articles of the Company.
- Ensure management performs achievement of Company's objectives.
- Ensure confidentiality of all inside information and do not allow leaks outside the Company and act at all times without deriving any personal benefit from such inside information not yet disclosed to the public.
- Avoid any action or decision that may lead to conflict of interest.

5. Code of Conduct for Company Secretary

- Diligently perform all duties assigned by the Board of Directors.
- Perform duties honestly, carefully and for the benefit of the Company.
- Supervise various activities of the Board and the Company in compliance with the relevant laws, rules and regulations as well as ethics and good corporate governance practices and according to Articles of Association of the Company.
- Hold shareholders' meetings, Board and sub-committee meetings and prepare minutes of meetings promptly and fully.
- Act as a good communication center between Directors and shareholders.
- Ensure confidentiality of all inside information including minutes of meetings of the Board and sub-committees and do not allow leaks outside the Company and act at all times without deriving any personal benefit from such inside information not yet disclosed to the public.

6. Code of Conduct for Employees

- Perform all duties honestly, carefully and for the benefit of the Company.
- Comply with relevant laws, rules, regulations and follow good ethics while doing business and otherwise.
- Ensure confidentiality of all inside information and do not leak any inside information outside the Company and act at all times without deriving any personal benefit from such inside information not yet disclosed to the public.
- Maintain harmony among all co-workers and employees in the Company.

7. Policy and Practices toward Stakeholders

The Company recognizes the rights of all stakeholders and therefore encourages cooperation between the Company and all the stakeholders including employees, customers, trading partners, creditors, government agencies, community and society at large. Directors, management, and employees must comply with the code of conduct which has been established to ensure fair and balanced dealings with all stakeholders.

The following practices may be adopted as guidelines in terms of dealing with stakeholders:

Shareholders

The Company is responsible to the shareholders and groups of financial investors and creditors in terms of information disclosure, accounting methods, internal information usage, and conflict of interests. Management must be honest and any decision must be based on honesty and fairness to both major and minor shareholders as a whole, and for the collective benefit of all.

Customers

The Company must always act to protect customers' interests, be attentive and ultimately responsible to customers with regard to service, by setting and maintaining good standards. They should keep customers' confidential information exclusively for concerned business use, without revealing it unless required by laws, regulations, or with the consent of the information owners, including issues related to marketing, market power exercises, price setting, details of services, quality and safety.

Trading Partners and/or Creditors

The Company has a policy of equitable and fair treatment of its trading partners and/or creditors, taking into consideration the Company's interest and on the basis of mutual benefit and it intends to avoid circumstances that may lead to a conflict of interest. The Company ensures that best practices are set for procurement from suppliers, and that the Company complies with trade terms and terms of borrowing from financial creditors, objectives of using borrowed funds, repayment, collateral, and other terms and conditions. In case the Company cannot comply with any conditions of a contract, the Company shall inform the trading partners and/or suppliers immediately to consider the ways to resolve the matter.

The following Company Guidelines for selection of suppliers shall be followed:

- Suppliers shall be selected based on their ability to service the needs of the Company in the most economical, efficient manner and consideration of their expertise, financial status and they will have strictly complied with laws and related regulations.
- Past performance of suppliers and cooperation with the Company should be important factors in supplier selection.
- Whenever the supplier base is not sufficient to fulfill the Company's needs, additional research and solicitation must be conducted by the purchasing department to increase vendor participation.

Competitors

The Company must act within the rules of fair trade, not destroying trade competitors' reputations with false allegations against them without truth, nor should they access competitors' confidential information using dishonest or inappropriate means. The Company is proactive in sharing information that can benefit the shipping industry as a whole and contribute to sustainable economic, social, and environmental development of society.

Employees

The Company must provide equal opportunities in employment, job security, and career advancement, as well as follow equitable principles related to employees and employment. Also ensure that employees are adequately knowledgeable and skillful in performing company business and understand relevant code of conduct and good practices and take action for knowledge enhancement and ability improvement leading to their development in keeping with the trends in the industry.

Community and Society

The Company has to be responsible to the community and society and should be involved in supporting community activities and be attentive to the consequences of the company's conduct that affects people around, beyond the requirements of law, and should make full efforts to gradually absorb social accountability.

The Company is expected to conduct business that will benefit the economy and society while safeguarding customs and traditions of communities in countries where it operates in. It is also the Company's policy to become a responsible corporate citizen to comply with all relevant laws, rules and regulations and to contribute to uplift quality of life by itself and/or through close collaboration with the relevant authorities and the communities.

8. Enforcement of this Manual

The Company has clearly announced that it is the duty and responsibility of all Directors, management, and employees to faithfully follow the business ethics and comply with the policies and practices stated in this code of conduct. All superiors must lead in compliance with this code and should be responsible for and consider it a priority to ensure that their subordinates truly learn, understand and comply with this policy and code of conduct.



ENCLOSURE 5 - GRI CONTENT INDEX

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102-4	Location of operations	80	Registered Office Address of Subsidiary and Associated Companies
102-5	Ownership and legal form	76-77	Corporate Information
102-6	Markets served	54-56	Nature of Business and Industry
		6-7	Board of Directors' Report: Market Segmentation
102-7	Scale of the organization	54-56	Nature of Business and Industry
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102-8	Information on employees and other workers	134-136	Social data of shore based employees
102-9	Supply chain	92-93 143-144	Our Value Chain Supply Chain Management
102-10	Significant changes to the organization and its supply chain		No significant changes
102-11	Precautionary Principle or approach	82-91	Risk Management and Significant Risk Factors
		111-112	Use of New Technology and Innovations
102-12	External initiatives	116	The Getting to Zero Coalition
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102-13	Membership of associations	209	Corporate Governance Report: Employees
		116	The Getting to Zero Coalition
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102-14	Statement from senior decision-maker		Sustainability Report: Message from the Board of Directors
		4-42	Board of Directors' Report
102-15	Key impacts, risks, and opportunities	82-91	Risk Management and Significant Risk Factors
		98-100	Contribution to Sustainable Development Goals
			TCFD Report
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102-18	Governance structure	184-185	Organization Chart
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102-20	Executive-level responsibility for economic, environmental, and social topics		Sustainability Report: The process for defining the content of the Report
		191-192	Organization Structure: The duties and responsibilities of the Executive Board of Directors;
		192	The duties and responsibilities of the Sustainability and Risk Management Committee
			TCFD Report
102-21	Consulting stakeholders on economic, environmental, and social topics	95-97	Stakeholder Engagements
		209	Corporate Governance Report: Employee
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102-22	Composition of the highest governance body and its committees	186-194	Organization Structure
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102-24	Nominating and selecting the highest governance body	198-200	Corporate Governance Report: Nomination, Development and Performance Assessment of the Board
102-25	Conflicts of interest	213-215	Corporate Governance Report: Conflict of Interest
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102-30	Effectiveness of risk management processes	82-91	Risk Management and Significant Risk Factors
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102-32	Highest governance body's role in sustainability reporting		Sustainability Report: Message from the Board of Directors on Sustainability Report The process for defining the content of the Report
102-33	Communicating critical concerns	217-218	Corporate Governance Report: Whistleblowing Policy
			Website: Stakeholders' Direct Contact Channel
102-34	Nature and total number of critical concerns	101	Corporate Governance, Ethics, and Integrity
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102-35	Remuneration policies	204-205	Corporate Governance Report: Directors' Remuneration
		195-196	Organization Structure: Management Remuneration
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GRI Standard	Disclosure	2022 Annual Report page number	Section reference
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102-40	List of stakeholder groups	95-97	Stakeholder Engagements
102-41	Collective bargaining agreements	209	Corporate Governance Report: Employee
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102-42	Identifying and selecting stakeholders	95-97	Stakeholder Engagements
102-43	Approach to stakeholder engagement	95-97	Stakeholder Engagements
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102-46	Defining report content and topic boundaries		Sustainability Report: The process for defining the content of the Report
102-47	List of material topics	97-100	The Materiality Assessment
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102-50	Reporting period		Sustainability Report: Overview of Sustainability Report
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103-2	The management approach and its components	97-100	The Materiality Assessment
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GRI 201: ECONOMIC PERFORMANCE			
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GRI 206: ANTI-COMPETITIVE BEHAVIOR			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	210	Corporate Governance Report: Competitors
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GRI 207: TAX			
207-1	Approach to tax	375	Enclosure 4 Business Ethics and Code of Conduct Manual: Tax Policy
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302-1	Energy consumption within the organization	114-115	Emissions Data from PSL Vessels
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303-1	Interactions with water as a shared resource	112	Ballast Water Treatment Fresh Water
		112-113	
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304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	112 118-123	Ballast Water Treatment Marine Mammals Protection
304-2	Significant impacts of activities, products, and services on biodiversity	112 118-123	Ballast Water Treatment; Marine Mammals Protection
GRI 305: EMISSIONS			
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305-4	GHG emissions intensity	114-115	Emissions Data from PSL Vessels
305-5	Reduction of GHG emissions	113-116	Climate Change and Green House Gases Emissions
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307-1	Non-compliance with environmental laws and regulations	110	Environmental Compliance
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403-1	Occupational health and safety management system	106-107 137-138	International Safety Management Code Safety & Occupational Health

GRI Standard	Disclosure	2022 Annual Report page number	Section reference
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403-3	Occupational health services	129-130	Information about our vessels
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403-5	Worker training on occupational health and safety	137-143	Occupational Health
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404-1	Average hours of training per year per employee	94	Sustainable Value Chain
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GRI 406: NON-DISCRIMINATION			
406-1	Incidents of discrimination and corrective actions taken		None
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		No such operations
GRI 408: CHILD LABOR			
408-1	Operations and suppliers at significant risk for incidents of child labor		The Company is committed to having zero tolerance for child labour by clearly specifying age criteria and conditions of employment that fully comply with local labour laws in any country.
GRI 409: FORCED OR COMPULSORY LABOR			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		The Company does not tolerate forced labour, slavery, or other forms of forced labour used to gain an advantage through its owned operations.
GRI 411: RIGHTS OF INDIGENOUS PEOPLES			
411-1	Incidents of violations involving rights of indigenous peoples		None
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412-1	Operations that have been subject to human rights reviews or impact assessments	128-129	Human Rights
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GRI Standard	Disclosure	2022 Annual Report page number	Section reference
415-1	Political contributions		The Company does not participate directly or indirectly in party politics and does not make payments to political parties, politicians or related organisations.
GRI 418: CUSTOMER PRIVACY			
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419-1	Non-compliance with laws and regulations in the social and economic area		None



GREENHOUSE GAS VERIFICATION CERTIFICATE



Greenhouse Gas Verification Statement Number
TH-IE-23-5006295-001

The inventory of Greenhouse Gas emission in period
01/01/2022 – 31/12/2022 of

Precious Shipping Public Company Limited
8 North Sathorn Road, G, 7th, 8th and 9th floors, Silom, Bangrak, Bangkok 10500 THAILAND

has been verified in accordance with Verification Requirement of Carbon Footprint for Organization,
January 2017 and ISO 14064-3:2019 as meeting the requirements of

Carbon Footprint for Organization
by Thailand Greenhouse Gas Management Organization
(Accounting and Reporting Requirements of Carbon Footprint for Organization Version 6, July 2022)

Scope1 (Direct GHG Emissions and Removals) = 11,027 tCO2e
Scope2 (Energy Indirect GHG Emissions) = 68 tCO2e
Scope3 (Other Indirect GHG Emissions) = 491,254 tCO2e

For the following activities:

Servicing of Dry Bulk Shipping

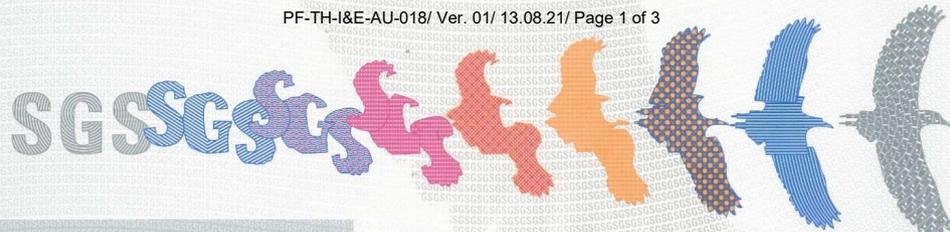
Authorised by

Nattarin Thunsiri
Technical and Operations Manager, SGS (Thailand) Limited
Date: 28/02/2023

SGS (Thailand) Limited, 100 Nanglinchee Road, Chongnonsi, Yannawa, Bangkok 10120, THAILAND

This Statement is not valid without the full verification scope, objectives, criteria and level of assurance
available on pages 2 to 3 of this Statement.

PF-TH-I&E-AU-018/ Ver. 01/ 13.08.21/ Page 1 of 3



**Schedule Accompanying Greenhouse Gas Verification Statement
TH-IE-23-5006295-001**

Brief Description of Verification Process

SGS (Thailand) Limited hereinafter referred to as "SGS" has been contracted by Precious Shipping Public Company Limited hereinafter referred to as "PSL", for the verification of direct and indirect Greenhouse Gas Emissions in accordance with:

Carbon Footprint for Organization by Thailand Greenhouse Gas Management Organization (CFO by TGO) as provided by PSL in their Greenhouse Gas (GHG) Assertion covering GHG emissions of the period 01/01/2022 – 31/12/2022.

Roles and Responsibilities

The management of PSL is responsible for the organization's GHG information system, the development and maintenance of records and reporting procedures in accordance with that system, including the calculation and determination of GHG emissions information and the reported GHG emissions.

It is SGS' responsibility to express an independent GHG verification opinion on the GHG emissions as provided in the GHG Assertion for the period 01/01/2022 – 31/12/2022.

SGS conducted a third party verification in the period of January 2023 to February 2023. The verification was based on the verification scope, objectives and criteria as agreed between PSL and SGS in Agreement Date 17/01/2023. The assessment included a desk review, responsible person interviewing and verification of organisation's activities data.

Level of Assurance

The level of assurance agreed is that of Limited assurance

Scope

PSL has commissioned an independent verification by SGS of reported GHG emissions of PSL arising from Servicing of Dry Bulk Shipping and associated activities, to establish conformance with the requirements of Carbon Footprint for Organization by Thailand Greenhouse Gas Management Organization within the scope of the verification as outlined below. Data and information supporting the GHG assertion were historical in nature and proven by evidence.

This engagement covers verification of emissions from anthropogenic sources of greenhouse gases included within organization's boundary and meets the requirements of Carbon Footprint for Organization by Thailand Greenhouse Gas Management Organization and ISO 14064-3:2019.

- The organizational boundary was established following: Control Approach (Operational Control)
 - Title or description activities: Servicing of Dry Bulk Shipping.
 - Location/boundary of the activities: 8 North Sathorn Road, G, 7th, 8th and 9th floors, Silom, Bangrak, Bangkok 10500 THAILAND.
- Physical infrastructure, activities, technologies and processes of the organization: Office and Fleet of ships.
 - Types of GHGs included: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃
 - GHG sources, sinks and/or reservoirs included:
 - Scope 1 – Stationary combustion, Mobile combustion and Fugitive emission;
 - Scope 2 – Purchased electricity;
 - Scope 3 – Category13: Downstream leased assets.
 - GHG information for the following period was verified: 01/01/2022 – 31/12/2022.
 - Intended user of the verification statement: Client internal use, stakeholders communication and registration with TGO.

Objective

The purposes of this verification exercise are, by review of objective evidence, to independently review:

- Whether the GHG emissions are as declared by the organization's GHG assertion
- That the data reported are accurate, complete, consistent, transparent and free of material error or omission and
- Registration of Carbon Footprint for Organization with Thailand Greenhouse Gas Management Organization.

Criteria

Criteria against which the verification assessment is undertaken are Verification Requirement of Carbon Footprint for Organization, January 2017, Accounting and Reporting Requirements of Carbon Footprint for Organization Version 6, July 2022 and ISO 14064-3:2019.

Materiality

The materiality required of the verification was considered at 5% based on the needs of the intended user of the GHG Assertion.

Conclusion

PSL provided the GHG Assertion based on the requirements of Carbon Footprint for Organization by Thailand Greenhouse Gas Management Organization.

The GHG information for the period 01/01/2022 – 31/12/2022 disclosing emissions of

Scope1 - 11,027 metric tonnes of CO2 equivalent,

Scope2 - 68 metric tonnes of CO2 equivalent,

Scope3 - 491,254 metric tonnes of CO2 equivalent,

and gross emissions of 11,095 metric tonnes of CO2 equivalent (Scope1 and 2) or 502,349 metric tonnes of CO2 equivalent (Scope1, 2 and 3) are verified by SGS to a Limited level of assurance, consistent with the agreed verification scope, objectives, and criteria.

SGS' approach is risk-based, drawing on an understanding of the risks associated with reporting GHG emissions information and the controls in place to mitigate these risks. Our examination included assessment, on a sample basis, of evidence relevant to the amounts and disclosures in relation to the organization's reported GHG emissions.

Based on the process and procedures conducted, there is no evidence that the GHG assertion

— is not materially correct and is not a fair representation of GHG data and information, and

— has not been prepared in accordance with the related International Standard on GHG quantification, monitoring and reporting, or to relevant national standards or practices.

We planned and performed our work to obtain the information, explanations and evidence that we considered necessary to provide a Limited level of assurance that the GHG emissions for the period 01/01/2022 – 31/12/2022 are fairly stated.

This statement shall be interpreted with the Greenhouse Gas Assertion of PSL as a whole.

Limitation

Note: This Statement is issued, on behalf of Client, by SGS (Thailand) Limited ("SGS") under its General Conditions for GHG Validation and Verification Services available at <https://www.sgs.com/en/terms-and-conditions>. The findings recorded hereon are based upon an audit performed by SGS. A full copy of this statement, the findings and the supporting GHG Assertion may be consulted at **Precious Shipping Public Company Limited at 8 North Sathorn Road, G, 7th, 8th and 9th floors, Silom, Bangrak, Bangkok 10500 THAILAND**. This Statement does not relieve Client from compliance with any by laws, federal, national or regional acts and regulations or with any guidelines issued pursuant to such regulations. Stipulations to the contrary are not binding on SGS and SGS shall have no responsibility vis-à-vis parties other than its Client.





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